Office of the Chief Electoral Officer

Period ending March 31, 2007

Departmental Performance Report

Marc Mayrand
Chief Electoral Officer of Canada

The Honourable Peter Van Loan, PC, MP
Leader of the Government in the House of Commons
and Minister for Democratic Reform

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Section I – Overview

Chief Electoral Officer's Message

Immediately following the 39th general election on January 23, 2006, Elections Canada placed a high priority on returning to a complete state of readiness to deliver another general electoral event.

Being ready for any type of electoral event is an integral part of our mandate. This is never more essential than after a general election that returns a minority government, as did the 38th and 39th general elections. Consequently, in 2006–2007 we devoted considerable effort to ensuring that we were prepared to conduct electoral events at any time.

Through other activities as well, in 2006–2007 we continued to meet our primary strategic outcome of delivering electoral events. We conducted the wrap-up of the 39th general election, we delivered two by-elections and we administered the political financing provisions of the *Canada Elections Act*. We assessed and investigated complaints about contraventions of the *Canada Elections Act* related to the 39th general election and the two by-elections. We also continued investigating open files from the 38th general election.

During the fiscal year, Elections Canada proactively supported parliamentarians in the ongoing task of electoral reform, with the aim of ensuring that the electoral process continues to enjoy the confidence of Canadians. We worked to enact the provisions of Bill C-2, the *Federal Accountability Act*, having an impact on the *Canada Elections Act*. We also provided advice and support to Parliament on Bill C-16, *An Act to amend the Canada Elections Act*, and Bill C-31, *An Act to amend the Canada Elections Act and the Public Service Employment Act*; both pieces of legislation were introduced in Parliament during the year and became law after the period of this report.

I was honoured to accept the position of Chief Electoral Officer this past year. I look forward to continue working with the dedicated team of professionals at Elections Canada to further enhance the electoral process, increase accessibility to electoral services for all Canadians and strengthen their connections with our democratic institutions.

Marc Mayrand
Chief Electoral Officer of Canada

Management Representation Statement

I submit, for tabling in Parliament, the 2006–2007 Departmental Performance Report (DPR) for the Office of the Chief Electoral Officer.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006–2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guide.
- It is based on the agency's Strategic Outcome and Program Activity Architecture approved by the Treasury Board.
- It presents consistent, comprehensive, balanced and reliable information.
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it.
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Marc Mayrand
Chief Electoral Officer of Canada

Summary Information

Elections Canada is an independent body set up by Parliament. Its responsibilities include ensuring that all voters have access to the electoral process, providing information and education programs to citizens about the electoral system, maintaining the National Register of Electors, enforcing electoral legislation, and maintaining readiness to conduct electoral events.

The agency is also responsible for registering political entities, including political parties, electoral district associations and third parties that engage in election advertising; administering the allowances and reimbursements paid to eligible political entities; monitoring compliance with the *Canada Elections Act*; and disclosing information on political parties, electoral district associations, candidates, nomination contestants, leadership contestants and third parties, including their financial returns.

In addition, the agency recommends to Parliament amendments for the better administration of the *Canada Elections Act*. It does this through the official reports of the Chief Electoral Officer after electoral events, as well as through the provision of expert advice when Parliament studies electoral reform.

Finally, the agency provides support services to the independent commissions responsible for conducting and reporting on the readjustment of electoral boundaries as a result of changes in the provinces' representation in the House of Commons every 10 years, and it reports to Parliament on the administration of elections and referendums.

Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
$87,226	$118,673	$115,216

Human Resources (FTEs)

2006–2007		
Planned	Actual	Difference
361	396	35

Departmental Priorities

Status on Performance			2006–2007	
			Planned Spending	Actual Spending
Strategic Outcome: Elections				
Program Activity/Priority	Expected Result	Performance Status	($ thousands)	
Electoral Event Delivery and Political Financing	To deliver federal elections, by-elections and referendums that maintain the integrity of the electoral process, and to administer the political financing provisions of the *Canada Elections Act.*	Successfully met (See details on page 9.)	31,161	40,239
Electoral Event Readiness and Improvements	To achieve and maintain a state of readiness to deliver electoral events whenever they may be called, and to improve the delivery of electoral events.	Successfully met (See details on page 10.)	47,459	68,435
Public Education, Information and Support for Stakeholders	To provide timely and high-quality public education and information programs, and assurance that support on electoral matters is available to the public, parliamentarians, political entities and other stakeholders.	Successfully met (See details on page 11.)	8,606	6,542

Notes:

1. The agency's fourth priority, electoral boundaries redistribution, was last completed in 2003–2004. Once we receive the 2011 Census return, redistribution will begin again.
2. Elections Canada worked on a number of programs and services related to internal operations and administration, identified in the *2006–2007 Report on Plans and Priorities* under the heading of "Other Programs and Services."

Overall Agency Performance

Program Activity/Priority 1: Electoral Event Delivery and Political Financing		
Results statement: The successful delivery of federal elections, by-elections and referendums that maintain the integrity of the electoral process, as well as the administration of the political financing provisions of the *Canada Elections Act*.		
Sub-program	**Key Activities**	**Results Achieved**
Electoral Event Delivery	• Conducted by-elections in London North Centre and Repentigny (unplanned).	• Elections Canada successfully delivered the by-elections. Election results can be accessed at: http://www.elections.ca/intro.asp?section=pas&document=index&lang=e
	• Conducted an evaluation of polling day activities in the riding of Trinity–Spadina during the 39th general election on January 23, 2006 (unplanned). The findings of the audit indicated that election day registration was properly administered in the electoral district during that electoral event.	• The audit identified areas in which operations could be improved. As a result, we have implemented changes to field operations. The report on this audit can be accessed at: http://www.elections.ca/gen/rep/oth/trinity_e.pdf
Political Financing	• Continued to administer the provisions of the *Canada Elections Act* related to political financing. • Successfully implemented the provisions on political financing in the new *Federal Accountability Act*, which came into force on January 1, 2007. Updated all material (guides, manuals and forms) and trained staff on the new provisions (unplanned).	• Elections Canada is ready to administer the provisions of the new *Federal Accountability Act* related to political financing. • The agency paid allowances to registered political parties. • It reviewed financial returns from political entities. • It published financial information on political parties, electoral district associations and candidates.
Compliance and Enforcement	• Assessed and investigated complaints about contraventions of the *Canada Elections Act* related to the 39th general election and the November 27, 2006, by-elections. Continued investigating open files from the 38th general election.	• 90% (3,241 of 3,591) of all complaints received since the 38th general election were resolved.

Program Activity/Priority 2: Electoral Event Readiness and Improvements		
Results statement: Achieve and maintain a state of readiness to deliver electoral events whenever they may be called, and improve the delivery of electoral events.		
Sub-program	**Key Activities**	**Results Achieved**
Electoral Event Readiness and Improvements	• Maintained a state of readiness to deliver general elections.	• Elections Canada was ready to deliver electoral events throughout the period. The agency successfully conducted two by-elections.
	• Undertook recruitment and appointment of returning officers (ROs) based on merit, and provided training for them.	• Through a merit-based process, Elections Canada appointed 308 ROs (1 for each electoral district). The agency fully trained ROs, assistant returning officers and automation coordinators.
	• Maintained/renewed relationships with strategic partners, and pursued initiatives to improve processes, systems and databases.	• Preliminary lists of electors were prepared for October 2006 and March 2007. Lists for the latter date contained 92% of all eligible electors (meeting the coverage target of 92%), with 84% of them listed at their current address (exceeding the accuracy target of 77%).
	• After the 39th general election, undertook more than 40 evaluations of Elections Canada programs and projects. These included exhaustive post-mortems on voter registration services and field technology support. The purpose was to identify short-, medium- and long-term enhancements to improve service delivery and election management.	• Evaluations following the 39th general election led to the development of a new vision for voter registration; this will guide long-term improvements to the voter registration process. The Targeted Revision Program was also changed to be more flexible. The effectiveness of these changes will be evaluated during coming events. • The agency implemented other operational improvements.
	• Field liaison officers (FLOs) provided support and information to help field staff find the best location for their offices and polling sites.	• RO offices and polling sites were chosen to maximize accessibility to voting and Elections Canada services. Aside from a central location, one of the criteria for choosing an office is that it be physically accessible to all electors.
Advertising Programs	• Reviewed advertising programs and started activity to improve delivery.	• Elections Canada will assess the revised advertising campaign during the next general election.
Technology Renewal	• Continued development and deployment of new information technology (IT) and telecommunications equipment to improve electoral efficiency.	• The results of the changes will be evaluated during the next general election under our event monitoring and evaluation processes.

Program Activity/Priority 3: Public Education, Information and Support for Stakeholders		
Results statement: Provide timely and high-quality public education and information programs, as well as assurance that support on electoral matters is available to the public, parliamentarians and political entities.		
Sub-program	**Key Activities**	**Results Achieved**
Voter Education and Outreach	• Evaluated and enhanced outreach programs.	• The results will be evaluated during and after the next general election.
Stakeholder Information and Support	• The Chief Electoral Officer appeared before parliamentary committees. The agency produced reports and correspondence intended for Parliament.	• On a timely basis, Elections Canada provided expert advice to Parliament on electoral matters.
International Assistance	• Provided assistance and monitoring for the electoral process in Haiti.	• Elections Canada made an important contribution to Haiti's electoral capacity, which is a vital aspect of longer-term democratic development, good governance and security. Haiti administered parliamentary, local and municipal elections that met internationally recognized standards.
	• Shared information and expertise with other electoral authorities and international organizations.	• The agency helped to increase knowledge of electoral processes in Canada and internationally by effectively participating in knowledge-sharing activities.

Program Activity/Priority 4: Electoral Boundaries Redistribution
Results statement: Administer the *Electoral Boundaries Readjustment Act*, under which federal electoral boundaries are readjusted by independent commissions after each decennial (10-year) census to reflect changes and movements in Canada's population.
No action required until the next census in 2011.

Program Activity/Priority 5: Other Programs and Services		
Sub-program	**Key Activities**	**Results Achieved**
Human Resources Modernization	• Began to formalize plans and services in the context of the *Public Service Modernization Act.*	• Elections Canada is continuing to formalize its human resources plans. It has developed policies and guidelines to support modernization, as well as the new *Public Service Labour Relations Act* and the *Public Service Employment Act.* This work will continue into 2007–2008.
	• Commenced review of key performance indicators, for development once strategic agency indicators are finalized.	• The agency is complying with its Staffing Management Accountability Framework.
Modern Management Practices	• Initiate a review of Elections Canada's Strategic Plan.	• The Strategic Plan was not finalized because a new Chief Electoral Officer was about to take office, and because many significant reforms had been introduced or proposed in legislation. We are currently drafting a new Strategic Plan, for completion in 2007–2008.
	• Commenced review and development of key performance indicators.	• A draft logic model was prepared on completion of the first phase of the project. Work is continuing toward development of an overall performance framework for Elections Canada in 2007–2008.
Audit and Assurance Services	• Continued work on initiatives based on recommendations in Auditor General's 2005 report. • The 2006–2007 financial statements were audited by the Office of the Auditor General.	• Elections Canada followed up on specific commitments made in response to the 2005 audit recommendations from the Office of the Auditor General of Canada. A status report on actions completed is planned for review by the agency's Audit Committee in 2007–2008. • The Office of the Auditor General issued an unqualified opinion on the financial statements. For the second consecutive year, a formal management letter was deemed unnecessary. • Work began on putting in place the Audit framework as required by the new Treasury Board Policy on Internal Audit.

What's New

For the first time in 40 years and only the second time in the history of Canada's electoral system, Canadian voters elected a second consecutive minority government on January 23, 2006. During the period covered by this report, Elections Canada's top priority was to maintain a continuous state of readiness to conduct another major electoral event, which could occur at any time in a minority situation. The agency completed post-event activities associated with the closely spaced 38th and 39th general elections of 2004 and 2006, and at the same time pursued the initiatives outlined in its *2006–2007 Report on Plans and Priorities*.

Report on the 39th general election

On May 12, 2006, the Chief Electoral Officer submitted his report on the 39th general election of January 23, 2006, to the Speaker of the House of Commons for tabling in Parliament. On that same day, the Chief Electoral Officer published the official voting results of the 39th general election. This was done in accordance with subsection 534(1) and paragraph 533(*a*) of the *Canada Elections Act*.

- For statutory reports by the Chief Electoral Officer, click here: http://www.elections.ca/content.asp?section=gen&document=index&dir=rep/re2&lang=e&textonly=false#statutoryreports

- For official voting results of electoral events, click here: http://www.elections.ca/intro.asp?section=pas&document=index&lang=e

By-elections

On November 27, 2006, Elections Canada administered by-elections in the electoral districts of London North Centre and Repentigny.

- For information on past electoral events, click here: http://www.elections.ca/intro.asp?section=pas&document=index&lang=e

On March 28, 2007, the Chief Electoral Officer submitted his report to the Speaker of the House of Commons on the administration of the November 27, 2006, by-elections, in accordance with subsection 534(2) of the *Canada Elections Act*.

New Chief Electoral Officer

On December 28, 2006, Jean-Pierre Kingsley resigned as Chief Electoral Officer of Canada effective February 17, 2007, after 17 years of service.

On February 9, 2007, Prime Minister Stephen Harper nominated Marc Mayrand as the new Chief Electoral Officer of Canada. Mr. Mayrand was serving as the Superintendent of Bankruptcy at the time.

On February 21, 2007, Mr. Mayrand's appointment was approved unanimously by the House of Commons, with the appointment effective as of the same date.

Legislation

During the period of this report, Parliament considered a total of 15 bills introduced by the government or private members, having the potential to affect electoral process operations. Details of the bills appear in the section "Risks and Challenges."

Our Purpose

Canada's electoral framework is grounded in participation. Taking part in the electoral process strengthens the connections of Canadians with democratic decision making and allows them to demonstrate concern for the future development of their country. Elections Canada is dedicated to facilitating Canadians' exercise of their democratic rights. We want to make voting fully accessible by reaching out to all voters and using modern technology wherever possible.

Did you know?

At the first election after Confederation in 1867, there were 181 seats to be filled in the House of Commons. Canada has had 39 federal general elections since that time, and there are currently 308 seats in the House.

We achieve our purpose through the successful execution of our responsibilities, which include the administration of federal elections, by-elections and referendums; making sure that all voters have access to the electoral process; informing citizens about the electoral system; maintaining and improving the National Register of Electors; and enforcing electoral legislation.

Elections Canada is also responsible for training and supporting election officers; producing maps of electoral districts; and registering political parties and electoral district associations, as well as third parties that engage in election advertising. We administer the allowances paid to registered political parties; monitor election spending by candidates, political parties and third parties; and publish financial information on political parties, electoral district associations, candidates, nomination contestants, leadership contestants and third parties.

In addition, our responsibilities include supporting the independent commissions responsible for readjusting the boundaries of federal electoral districts every 10 years, and reporting to Parliament on the administration of elections and referendums.

The House of Commons appoints the Chief Electoral Officer to head the agency. The Chief Electoral Officer in turn appoints the Commissioner of Canada Elections, who ensures that the *Canada Elections Act* is enforced, and the Broadcasting Arbitrator, who allocates paid and free broadcasting time during general electoral events.

Since passage of the *Federal Accountability Act* on December 12, 2006, the Chief Electoral Officer has also been responsible for the appointment and removal of returning officers. Previously this was the responsibility of the Governor in Council.

Our Funding

As an independent agency of Parliament, the Office of the Chief Electoral Officer is funded by an annual appropriation that essentially provides for the salaries of permanent, full-time staff, and by the statutory authority contained in the *Canada Elections Act*, the *Referendum Act* and the *Electoral Boundaries Readjustment Act*. The statutory authority provides as well for all other expenditures, including the costs of electoral events, maintenance of the National Register of Electors, quarterly allowances to eligible political parties, redistribution of electoral boundaries, and continuing public information and education programs. There are also two other statutory items: the salary of the Chief Electoral Officer and contributions to employee benefit plans.

The statutory authority serves to recognize Elections Canada's independence from the government and from the influence of political parties. It is a critical component in maintaining the integrity of the democratic process in Canada.

Risks and Challenges

Until recently, Canada's parliamentary system did not specify a set period of time between federal general elections. (However, under the *Constitution Act, 1867* and the *Canadian Charter of Rights and Freedoms*, the House of Commons cannot sit for longer than five years except in times of real or apprehended war, invasion or insurrection.) On May 3, 2007, Bill C-16, *An Act to amend the Canada Elections Act*, received royal assent. The legislation provides that, unless the House of Commons is dissolved earlier, an election shall be held on the third Monday of October every four years. Despite this new provision, the length of Elections Canada's business cycle varies in the ongoing situation of minority government. The uncertainty makes planning a challenge: we must be ready at all times to deliver an electoral event, whether it is a by-election, general election or referendum; and along with that we must strive to improve the management and administration of the electoral process. Consequently, we must continually assess parliamentary and political events and trends to take into account circumstances that might affect our electoral readiness and preparations for electoral events.

In 2006–2007, with a minority federal government in office, Elections Canada gave highest priority to achieving a state of readiness to conduct a major electoral event and finalizing matters from the previous election. Historical averages suggest that a general election might occur in a much shorter time frame than would be the case under a majority government.

Did you know?

In the past 50 years, Canada has had eight minority governments, holding office from 1957 to 1958, 1962 to 1963, 1963 to 1965, 1965 to 1968, 1972 to 1974, 1979 to 1980, 2004 to 2006, and since the most recent general election on January 23, 2006.

Maintaining such a constant state of heightened readiness imposes a strain on any organization. Elections Canada must ensure it can sustain its full organizational capacity over time. Investments are also needed now to renew our technology infrastructure; we had stretched its lifespan to meet our readiness goals.

At the same time, Elections Canada continued to work on ongoing improvements and enhancements to Canada's electoral process, as well as the agency's systems and programs such as voter outreach and voter registration. Our aim was to ensure the greatest possible accessibility for all Canadian electors.

Other factors that can influence our performance include high mobility among electors (more than 40 percent of all Canadians change their address every five years), greater social diversity, and a steady increase in the number of electors over the age of 65 and the implications for accessibility.

Our planning must also take into consideration proposed amendments to electoral legislation under consideration by Parliament. For many of these bills, the Chief Electoral Officer is called to appear before the relevant committee of the House of Commons and/or the Senate. The agency prepares a thorough analysis of the proposed changes and plans for their implementation should the bills be adopted. The Chief Electoral Officer made 12 appearances before House of Commons and Senate committees during the period of this report. Details of those appearances are contained in Section II, "Key Program 3: Public Education, Information and Support for Stakeholders."

In 2006–2007, Parliament considered numerous bills that we needed to take into account in our planning and activities:

- Bill C-2, the *Federal Accountability Act,* was passed by Parliament on December 12, 2006. It included the following changes to the *Canada Elections Act*:
    - It transferred responsibility from the Governor in Council to the Chief Electoral Officer for the appointment and removal of returning officers.
    - It reduced contribution limits from $5,000 to $1,000, and prohibited contributions from corporations, unions and unincorporated associations.
    - It established a new report for certain gifts received by candidates.

- It transferred responsibility for prosecuting offences under the *Canada Elections Act* to the newly established office of the Director of Public Prosecutions.
- It made the Office of the Chief Electoral Officer subject to the *Access to Information Act*.

- Bill C-4, *An Act to amend An Act to amend the Canada Elections Act and the Income Tax Act*, was introduced in April 2006 and received royal assent in May 2006. It removed the sunset provision contained in Bill C-3, *An Act to amend the Canada Elections Act and the Income Tax Act* (S.C. 2004, c. 24), and replaced this with a requirement that committees of the Senate and the House of Commons undertake, within two years, a comprehensive review of the amendments made by Bill C-3 in 2004. Bill C-3 had adjusted the conditions for political party registration in response to the June 27, 2003, decision of the Supreme Court of Canada in *Figueroa v. Canada (Attorney General)*. The 2004 legislation contained a sunset clause specifying that the amendments in the bill would cease to have effect two years after the granting of royal assent – that is, in 2006. If Parliament had not passed Bill C-4 in 2006, the rules for political party registration would have been repealed, creating a legal void. The parliamentary review prescribed by Bill C-4 must be completed by May 2008.
- Bill C-16, *An Act to amend the Canada Elections Act*, was introduced in May 2006 and received royal assent in May 2007. It provides that, unless the House of Commons is dissolved earlier, a general election must be held on the third Monday in October in the fourth calendar year following polling day for the previous general election. Accordingly, the date of the next general election would be Monday, October 19, 2009.
- Bill C-31, *An Act to amend the Canada Elections Act and the Public Service Employment Act*, was introduced in October 2006 and received royal assent in June 2007. It requires electors to prove their identity and residential address before voting. It also amends the *Canada Elections Act* to, among other things, make operational changes that will improve the accuracy of the National Register of Electors, facilitate voting and enhance communications with the electorate. It amends the *Public Service Employment Act* to permit the appointment of casual workers by the Chief Electoral Officer on the occasion of an election for up to 165 working days in a calendar year.
- Bill C-43, the *Senate Appointment Consultations Act*, was introduced in Parliament in December 2006. It provides for the consultation of electors in a province to determine their preferences for the appointment of senators to represent their province. The bill has not yet received second reading in the House of Commons.
- Also before Parliament were a number of private members' bills, as well as 10 bills that propose to change electoral district names.

In addition, certain judicial decisions during 2006–2007 will affect Elections Canada:

- On March 15, 2007, in *R. v. Bryan*, the Supreme Court of Canada upheld the constitutionality of section 329 of the *Canada Elections Act* prohibiting the transmission of election results in an electoral district to the public in another electoral district before the close of all polling stations in that other electoral district. The appellant had published the results from the Atlantic provinces on his Web site, available in the rest of the country, before polls closed in other districts. While it was conceded that the contested provision infringed on freedom of expression, the majority of the Court concluded that it was saved by section 1 of the *Canadian Charter of Rights and Freedoms.*
- In October 2006, in *Longley v. Canada (Attorney General)*, the Ontario Superior Court of Justice struck down paragraphs 435.01(1)(*a*) and (*b*) of the *Canada Elections Act* limiting the payment of a quarterly allowance to registered parties that achieve a minimum threshold of votes during general elections. The Court ruled that the provisions contravened the right to vote guaranteed by section 3 of the Charter and were discriminatory under section 15 of the Charter. The Court also granted a retroactive remedy to the applicant parties, ordering that they be paid the quarterly allowance effective from January 1, 2004. The Ontario Court of Appeal heard this case on June 27, 2007, and reserved its judgment.

The legislative changes and judicial decisions have significant impacts on Elections Canada and its personnel. These combine with the pressures resulting from successive minority governments and recent far-reaching electoral reform. For the present, Elections Canada has responded to increased requirements by using temporary personnel and contractors and by increasing demands on its core staff. While these strategies provide short-term solutions, they do not offer sustainable strategies over time. Already, the agency faces challenges in attracting and retaining employees, and allowing sufficient time for training. We are also concerned about the turnover of personnel in key positions.

These factors limit our capacity to take on additional work resulting from electoral events and further electoral reforms. Another concern is the increased volume of work that resulted from two closely spaced general elections, especially in the areas of political financing and compliance. Thus far, we have been able to meet statutory deadlines. However, should another general election take place before we have been able to clear files from the 38th and 39th general elections, the risk of delays would be increased.

We are therefore looking at ways to augment our organizational capacity – especially in areas where we rely on temporary employees and contractors – to ensure that we offer political entities responsive service, continue meeting statutory deadlines and provide for timely enforcement of the Act.

Strategic Relationships

Partnerships between different levels of government are increasingly common in Canada. Elections Canada depends on the co-operation of many partners to achieve a successful strategic outcome benefiting Canadians. The scale of our partnership agreements will vary from one fiscal year to another, depending on whether a general election is conducted or by-elections are held within a particular year. The agency has agreements with some 40 administrative and electoral data sources at the federal, provincial/territorial and municipal levels. These allow us to provide and/or receive data to update the National Register of Electors, ensuring that we can produce the most current, accurate lists of electors. Several key partners also assist us in maintaining election readiness, delivering electoral events or reaching out to electors. All these partnerships help to improve services to the public.

Section II – Analysis of Program Activities by Strategic Outcome

Strategic Outcome

An electoral process that contributes to fairness, transparency and accessibility for all participants in accordance with the legislative framework.

Program Activity Name: Elections

Financial Resources ($ thousands)

Planned Spending	Authorities	Actual Spending
$87,226	$118,673	$115,216

Human Resources (FTEs)

Planned	Actual	Difference
361	396	35

Our Program Activity Architecture (PAA) comprises one main strategic outcome (above) and one program activity – Elections. In 2006–2007, this program was committed to providing four key results for Canadians:

- delivering federal elections, by-elections and referendums that maintain the integrity of the electoral process, and administering the political financing provisions of the *Canada Elections Act*
- achieving and maintaining a state of readiness to deliver electoral events whenever they may be called, and improving the delivery of electoral events
- providing timely and high-quality public education and information programs, as well as assurance that support on electoral matters is available to the public, parliamentarians, political entities and other stakeholders
- administering the *Electoral Boundaries Readjustment Act*, under which readjustment of federal electoral boundaries is carried out by independent commissions after each decennial (10-year) census to reflect changes and movements in Canada's population

We also identified a number of major initiatives to improve our internal services and operations, with the aim of increasing efficiency and ultimately our ability to deliver our strategic outcome more effectively. The initiatives planned for 2006–2007 were described in the *2006–2007 Report on Plans and Priorities* as "Key Program 5: Other Programs and Services."

Key Program 1: Electoral Event Delivery and Political Financing

Expected Results:

The successful delivery of federal elections, by-elections and referendums that maintain the integrity of the electoral process, the administration of the political financing provisions of the Canada Elections Act, *and compliance with electoral legislation.*

Financial Resources ($ thousands)

Planned Spending	Authorities	Actual Spending
$31,161	$40,689	$40,239

Performance Highlights

Sub-program	Commitment	Status	Results
Electoral Event Delivery	Submit a statutory report on administration of general elections	The report on the 39th general election was submitted to the Speaker of the House on May 12, 2006.	Elections Canada disseminated information on the conduct of the election in a timely fashion to Canadians, political parties and Parliament. The agency administered electoral events transparently.
	Submit a report containing recommendations arising from the administration of the elections, using surveys and evaluations	Elector surveys and more than 40 evaluations were conducted following the 39th general election. A number of findings led to improvements in electoral event delivery; some were implemented during the November 2006 by-elections in London North Centre and Repentigny.	Elections Canada's Public Opinion Survey of Electors showed an increase in voter satisfaction for the 39th general election compared to the 38th general election. Among the results: • 98% of voters in the 39th general election said they found it easy or somewhat easy to vote. This represented an increase of 5% from the 93% response to the same question following the 38th general election in 2004.

Sub-program	Commitment	Status	Results
	Publish the official voting results	The official voting results were posted on the Elections Canada Web site.	Elections Canada made voting results readily available to Canadians.
	Conduct an evaluation of polling day activities in Trinity–Spadina during the 39th general election (unplanned)	Elections Canada implemented this audit's recommendations on improving operations.	Elections Canada will evaluate the effectiveness of the changes during future electoral events.
	Conduct by-elections in London North Centre and Repentigny (unplanned)	By-elections were delivered successfully.	As a result of our policy of being ready at all times to conduct elections, Elections Canada delivered these by-elections successfully. The agency also conducted pilot projects during the events to enhance administration of the electoral process and improve accessibility. Evaluations showed that the pilot projects will benefit future electoral events.
	Submit a statutory report on the administration of the by-elections (unplanned)	The report was submitted to the Speaker of the House of Commons on March 28, 2007. The report detailed the conduct of electoral activity and provided a further update on agency activities from the time of the 39th general election.	Elections Canada disseminated information on the conduct of the by-elections in a timely fashion to Canadians, political parties and Parliament. The agency administered electoral events transparently.
Political Financing	Administer the provisions of the *Canada Elections Act* related to political financing	Elections Canada continued to administer the provisions of the Act by reviewing the returns of candidates, nomination contestants, registered associations and political parties.	Elections Canada administered the financial provisions of the Act fairly, consistently and efficiently.

Sub-program	Commitment	Status	Results
	Administer the provisions on political financing under the *Federal Accountability Act*, which came into force on January 1, 2007 (unplanned)	Elections Canada successfully implemented the new political financing provisions of the *Federal Accountability Act*. The agency updated all material (guides, manuals and forms) and trained staff on the new provisions.	Elections Canada is ready to administer the new provisions of the *Federal Accountability Act* related to political financing.
Compliance and Enforcement	Assess and investigate complaints about contraventions of the *Canada Elections Act* related to the 39th general election and the November 27, 2006, by-elections. Continue investigating open files from the 38th general election.	• Elections Canada investigated 647 cases since the 38th general election. • Using a new tool implemented in September 2006, the agency issued 120 caution letters. • It entered into 25 formal compliance agreements. • It conducted six prosecutions, two of which are ongoing.	90% of all complaints received (3,241 out of 3,591) since the 38th general election have been resolved.

Electoral Event Delivery

Completing the Cycle of the 38th and 39th General Elections

The Chief Electoral Officer prepared his report on the activities of the 39th general election held on January 23, 2006, and presented it to the Speaker of the House of Commons on May 12, 2006, pursuant to subsection 534(1) of the *Canada Elections Act*. This requires the report to be submitted to the Speaker of the House no later than 90 days after the return of the writs.

For statutory reports by the Chief Electoral Officer, click here: http://www.elections.ca/content.asp?section=gen&document=index&dir=rep/re2&lang=e&textonly=false#statutoryreports

After the 39th general election, Elections Canada undertook more than 40 evaluations of its programs and projects with various stakeholders. These included an exhaustive post-mortem on voter registration services and field technology support. The purpose was to identify short-, medium- and long-term enhancements to improve service delivery and election management.

Did you know?

During the 55 days of the 2006 general election, the Voter Information Service (VIS) on the Elections Canada Web site received 1,465,751 visits. This compared with 676,130 visits in 2004 – a 116% increase. The visitors were able to find answers to their questions 24 hours a day, seven days a week, in a flexible and easy-to-use format.

All election materials and supplies returned to Elections Canada from across the country after the 39th general election were sorted. Reusable materials were stored. If certain materials had to be kept under the *Canada Elections Act* in case they might be needed for review or evaluation of a contested decision, they were stored appropriately in a secure facility.

Elections Canada also undertook an audit on election day registration in the Ontario riding of Trinity–Spadina after the January 23, 2006, federal election. The audit found no evidence of any organized or systematic attempt to influence the outcome of the election results through abuse of the election day registration process. The audit was conducted in response to concerns about the high number of election day registrations, raised by a member of Parliament during a June 2006 appearance of the Chief Electoral Officer before the House of Commons Standing Committee on Procedure and House Affairs.

The audit did identify areas in which operations could be improved. As a result, and in accordance with our ongoing efforts to ensure adequate administrative controls on electoral procedures, Elections Canada has implemented changes to field operations related to polling day registration processes:

- For cases in which an elector registers and another elector vouches for his or her identity, a new form has been created to record the name and address of the vouching elector.
- The poll book has been changed to make it easier to record information on vouching electors.
- A removable summary page was added to the poll book for use in recording the number of voters with registration certificates.
- Poll closing procedures have been modified, requiring central poll supervisors to ensure that the number of registration certificates returned to the office of the RO corresponds to the number of voters with certificates recorded on the removable page in the poll book.
- If a certificate cannot be located even after the central polling place has been searched, the RO must report the situation to the Elections Canada Support Network.

These changes will be in effect in future electoral events.

For the report on the audit, *Polling Day Registrants in the Riding of Trinity–Spadina for the 39th Canadian General Election*, click here: http://www.elections.ca/gen/rep/oth/trinity_e.pdf

Surveys of Electors

Immediately after the 39th general election, Elections Canada commissioned a Public Opinion Survey of Electors to measure public opinions, attitudes and knowledge of our various electoral processes. The survey was also designed to improve our understanding of the values, attitudes and electoral behaviours among groups that are less likely to vote, such as youth and Aboriginal people. The responses will be taken into account in the agency's ongoing efforts to improve electoral processes.

Indicator of Success

In 2006, 98% of voters found voting procedures somewhat easy or very easy – an increase of 5% from 2004.

– Survey of electors, Elections Canada

Highlights of the survey were published in the Chief Electoral Officer's statutory report on the 39th general election. The survey results showed high levels of satisfaction with all aspects of delivery of the election. Several indicators showed improvements over the delivery of the 38th general election in 2004.

Satisfaction Level – Electoral Event Delivery (%)			
Elements Surveyed	2004	2006	Difference
Percentage of electors who said they received their voter information card	85	89	+4
Of the respondents who received a voter information card, percentage who did not report any error in their personal information, such as registration status or address	95	96	+1
Percentage of electors who recalled seeing or hearing a non-partisan ad encouraging people to vote	50	52	+2
Percentage of electors who recalled hearing the slogan "Why not speak up when everyone is listening?"	56	70	+14
Percentage of electors who found voting procedures somewhat easy or very easy	93	98	+5
Percentage of voters who said they were satisfied with the distance they had to travel to the polling station	93	97	+4
Percentage of voters who said they were satisfied with the information they received at the polling station	91	97	+6
Percentage of voters who said they were satisfied with the language spoken at the polling station	96	98	+2

A presentation on the results of the survey was provided to the Advisory Committee of Political Parties on October 13, 2006.

For information on the report, click here:
http://www.elections.ca/content.asp?section=gen&dir=rep/oth/jan2007&document=index&lang=e&textonly=false

Canadian Election Study

Elections Canada also partnered with the 2006 Canadian Election Study (CES). This is a research project undertaken by academics from the Université de Montréal, McGill University, the University of New Brunswick and the University of Toronto. The study is based primarily on a two-wave survey of Canadian voters. The main goal is to better understand voter behaviours. Elections Canada contributed to a campaign-period survey and a post-election survey, and participated in the design of over 30 survey questions of interest to the agency. The questions dealt with voter registration and voting, Elections Canada advertising, election financing, political engagement (party membership) and representation. The CES data set was published in January 2007. Elections Canada's participation in the study allowed for academic monitoring and extensive collection of longitudinal data on federal elections. It also provided support for important research on the Canadian democratic process and generated material for ongoing academic research.

Following are some of the findings of the study:

CES Question	Percentage
Saw or heard an ad saying "Why not speak up when everyone is listening?"	43
– Knew that this was an Elections Canada ad	16
– Did not know who had sponsored the ad	46
– Thought ad was sponsored by a political party	31
Reported having received their voter information card	91
– Name and address were accurate	97
Believed that "the public has the right to know the sources from which political parties, candidates and electoral district associations get their money"	96
Favoured the ban on direct contributions from corporations and unions to registered political parties	60
– Opposed the ban	5
Said that they had made a financial contribution at least once to:	
– a federal political party	15
– the electoral district association of a federal political party	8
– a candidate in a federal election	7
Supported the principle of public funding for federal political parties	35
– Supported the current eligibility criteria for public funding (2% of the votes nationally or 5% of the votes in electoral districts where a political party presents candidates)	57
– Opposed the existence of an eligibility threshold for public funding	40

CES Question	Percentage
As opposed to imposing rules, would rather let political parties decide how to increase their number of candidates who are:	
– Women	75
– Youth	77
– Aboriginal people	76
– People from visible minorities	78

Note: Comparisons between 2004 and 2006 are not possible because the same questions are not necessarily repeated from one study to another.

For more details and information on the 2006 Canadian Election Study, click here: http://www.ces-eec.umontreal.ca/

Estimation of Voter Turnout by Age Group

Elections Canada again conducted a study to estimate voter turnout rates by age group in the 39th general election, as it had done for the 38th general election in 2004. The aim was to enhance our understanding of voting patterns by age group, with a focus on youth. Under the Chief Electoral Officer's authority, Elections Canada took data compiled for the purpose of administering the electoral process and used the information to create a sample of electors who voted at an advance poll, by special ballot or at a polling station on election day. To develop estimates by age group, we obtained the year of birth of each sampled elector from the National Register of Electors. For the 2006 general election, the estimated overall turnout increased by 4.4 percent nationwide and in all age groups except the oldest (75 years and over, where it dropped by 2.3 percentage points). The overall increase is concentrated among the three youngest groups (under 45 years old). The turnout rate for the youngest group (18- to 24-year-olds) was 43.8 percent in 2006, compared with 37.0 percent in 2004 – a notable 6.8 percent increase.

Indicators from the Voter Turnout Study, 2004 and 2006 (%)

	2004	2006	Difference
First-time voters	39.6	42.2	+2.7
Previously eligible	34.3	44.2	+9.9
18 to 24 yrs.	37.0	43.8	+6.8
25 to 34 yrs.	44.0	49.8	+5.7
35 to 44 yrs.	54.5	61.6	+7.1
45 to 54 yrs.	66.0	70.0	+4.0
55 to 64 yrs.	72.9	75.4	+2.4
65 to 74 yrs.	75.5	77.5	+2.0
75 yrs. and over	63.9	61.6	-2.3

Margin of error: 4.8% Source: Voter Turnout Study, Elections Canada

A report on the findings is being finalized and will be posted on the Elections Canada's Web site.

By-elections in London North Centre and Repentigny

On August 28, 2006, Benoît Sauvageau, the Bloc Québécois Member of Parliament for Repentigny since October 25, 1993, died, leaving his seat vacant.

On September 20, 2006, the Honourable Joseph Frank Fontana, the Liberal Party of Canada Member of Parliament for London North Centre since November 21, 1988, resigned, creating a second vacancy.

Writs were issued on October 22, 2006, directing the returning officers in the two ridings to conduct by-elections on November 27, 2006. The by-elections were successfully conducted as scheduled.

The two by-elections were a test bed for a number of pilot initiatives and improvements to electoral systems and processes, arising from the various evaluations and post-election surveys described earlier in this report. They included:

- collection of voter information cards (VICs) from electors at the polling station entrance to reduce their potential misuse
- collection of abandoned VICs by letter carriers from various locations (e.g. apartment buildings) and capturing of the addresses
- posting of notices at polling stations, reminding electors of the penalties for voting more than once
- use of a large print ballot mock-up for visually challenged voters, and development of a new template for these electors in close consultation with them
- visits to any address with more than four electors to confirm that all resided there, and removal of persons no longer residing at the address from the electors list to prevent misuse of their VICs
- testing by deputy returning officers and poll clerks of the Quick Reference Guide – a new reference aid for poll officers featuring a summary of key procedures; feedback was very positive

The evaluation of these pilot projects was positive and the improvements will be in place for future electoral events.

Following the by-elections and in accordance with subsection 534(2) of the *Canada Elections Act*, the Chief Electoral Officer submitted a report on the administration of the by-elections to the Speaker of the House of Commons on March 28, 2007. The report also gave details of the administration of Elections Canada for the period from the 39th general election until the by-elections.

For statutory reports by the Chief Electoral Officer, including the report of the Chief Electoral Officer of Canada following the November 27, 2006, by-elections held in London North Centre and Repentigny, click here: http://www.elections.ca/content.asp?section=gen&document=index&dir=rep/re2&lang=e&textonly=false#statutoryreports

The official voting results for the by-elections were posted on the Elections Canada Web site, along with other information considered pertinent by the Chief Electoral Officer.

For official voting results of electoral events, click here: http://www.elections.ca/intro.asp?section=pas&document=index&lang=e

Political Financing

Since the 39th general election, Elections Canada has continued to fulfill its mandate of administering the financial provisions of the *Canada Elections Act*. On January 1, 2007, the *Federal Accountability Act* came into force, including new political financing provisions. To help political entities meet their obligations under the new legislation, Elections Canada produced new guides, manuals, videos, software and other information products.

In 2006–2007, Elections Canada received:

- 1,628 completed candidate electoral campaign returns for contributions, expenses and other election-related financial transactions (These represented 99.5 percent of all candidate returns. As of the end of the fiscal year, only 8 candidates – 0.5 percent of the total – had yet to file a complete return and either did not seek an extension or missed the extended deadline granted by the Chief Electoral Officer or a judge.)
- election expense returns from the 15 registered parties in the 2006 general election
- fiscal returns from the 12 parties that were registered in 2005
- statements of assets and liabilities from three new registered parties, which are required to file fiscal returns for 2006
- quarterly financial transaction returns from the five registered parties entitled to quarterly allowances because they each received either 2 percent of valid votes cast in the 2006 election or 5 percent of valid votes in electoral districts in which they endorsed candidates

Candidate Filing Comparison: 39th and 38th General Elections				
	39th GE		38th GE	
Filed within four-month filing deadline	1,226	74.9%	1,381	81.9%
Filed within CEO extension deadline	323	19.7%	255	15.1%
Filed within court extension deadline	69	4.2%	28	1.7%
Total filed on time	**1,618**	**98.9%**	**1,664**	**98.7%**
Total filed late	10	0.6%	9	0.5%
Total not filed	8	0.5%	13	0.8%
Total filed	**1,636**	**100.0%**	**1,686**	**100.0%**

39th GE (Jan. 23, 2006). Filing deadline: May 23, 2007. Data as of Aug. 23, 2007.

38th GE (June 28, 2004). Filing deadline: Oct. 28, 2005. Data as of Jan. 28, 2006.

In 2006, Elections Canada received, from electoral district associations (EDAs), the following:

	2006		2005	
	As of Aug. 31, 2007		As of Aug. 31, 2006	
Total filed by May 31 – return and Audit Report (AREP), where applicable	764		571	
Total filed within extended deadline – return and AREP, where applicable	237		331	
Total filed late – return and AREP, where applicable	59		58	
Total filed – return and AREP, where applicable	1,060	91.9%	960	87.6%
Total outstanding with extensions (return not yet due)	45	3.9%	15	1.4%
Total not filed – return and/or AREP, where applicable (no extensions)	49	4.2%	121	11.0%
Total required to file a report (2006 – 1,154, 2005 – 1,096)	1,154	100%	1,096	100%

Notes:

1. Total number of electoral district associations (EDAs) that complied with the May 31 EDA return filing deadline increased 33% in 2006 from 2005 (571 to 764).
2. Total number of non-filing EDAs decreased 60% in 2006 from 2005 (121 to 49).

For information on the financial reports, click here:
http://www.elections.ca/scripts/webpep/fin/welcome.aspx?lang=e

Compliance and Enforcement

The Commissioner of Canada Elections, appointed by the Chief Electoral Officer, has the duty to ensure that the *Canada Elections Act* is complied with and enforced. Any matter that is covered by an offence provision under the *Canada Elections Act* may be the subject of a complaint or referral to the Commissioner.

Legislative changes took effect with the coming into force of the *Director of Public Prosecutions Act*, contained in the *Federal Accountability Act* (Bill C-2). The *Director of Public Prosecutions Act* transfers the authority to initiate and conduct a prosecution under the *Canada Elections Act* from the Commissioner to the Director of Public Prosecutions.

Bill C-2 made no changes to the Commissioner's powers to investigate, enter into compliance agreements and apply for injunctions during an election period. The Commissioner therefore continued to assess complaints or referrals and, where warranted, to conduct investigations during 2006–2007.

During the period of this report, the Commissioner undertook the following activities:

- Preliminary assessment of all 3,591 complaint files opened since the 38th general election in 2004. Of these, 3,241 have been resolved and 350 remain open.
- Investigation of 647 cases considered of a serious nature opened since the 38th general election. Some cases were found to be unsubstantiated; in others, the offenders came into compliance with the law as a result of the investigation, when they were able to do so. The Commissioner also issued caution letters, negotiated and signed compliance agreements, and launched prosecutions.
- Informal enforcement activities:
  - The Commissioner used this approach when letters and responses from offenders provided satisfactory explanations resolving matters of non-compliance.
  - In some cases, the Commissioner issued caution letters to offenders, advising them of violations of the Act. The letters were sufficient to achieve satisfactory resolution of cases of apparent non-compliance. The Commissioner issued 120 caution letters since the adoption of this new tool on September 28, 2006.
- Formal enforcement actions:
  - The Commissioner entered into 25 compliance agreements since the 38th general election.
  - The Commissioner conducted six prosecutions since the 38th general election. These have resulted in three convictions and one finding of guilty with no penalty (discharge). Two cases are still pending.

For details of convictions, click here:
http://www.elections.ca/content.asp?section=loi&document=index&dir=sen&lang=e&textonly=fa

For details of the terms of compliance agreements, click here:
http://www.elections.ca/content.asp?section=loi&document=index&dir=agr&lang=e&textonly=false

Key Program 2: Electoral Event Readiness and Improvements

Expected Results:

Achieve and maintain a state of readiness to deliver electoral events whenever they may be called, and improve the delivery of electoral events.

Financial Resources ($ thousands)

Planned Spending	Authorities	Actual Spending
$47,459	$70,918	$68,435

Performance Highlights

Sub-program	Commitment	Status	Results
Electoral Event Readiness and Improvements	Well-trained staff and election officers	Completed	• All 308 electoral districts were staffed with fully trained returning officers, hired through a merit-based process and ready to deliver an election. • The Field Liaison Officer Program significantly enhanced the quality of service to Canadians by providing Elections Canada in Ottawa with more timely communications with field staff and insight that improved decision making. • Field liaison officers provided orientation to new ROs in the regions. This prepared ROs to receive more extensive training. It also allowed the training period in Ottawa to be shortened from eight to six days. • Feedback from ROs and others showed a high level of satisfaction with the comprehensive training programs.

Sub-program	Commitment	Status	Results
	Up-to-date electoral processes, systems, databases and materials	A number of systems, databases, equipment and technology agreements have been updated and improved.	Elections Canada has improved its information technology capacity and can provide uninterrupted service. To be evaluated in future electoral events.
	Maintain a state of readiness to deliver general elections	Elections Canada is ready to deliver a general election.	Elections Canada maintained its capacity to deliver electoral events at any time during the period.
	Improve the National Register of Electors	Ongoing	Targets for improving coverage and currency were met. Preliminary lists of electors were prepared for October 2006 and March 2007. Lists for the latter date contained 92% of all eligible electors (meeting the coverage target of 92%), with 84% of them listed at their current address (exceeding the accuracy target of 77%). New information-sharing agreements yielded further improvements – for example, by providing for more data from federal sources to be updated monthly instead of quarterly.
	Maintain relationships with strategic partners and pursue initiatives with them to improve electoral event-readiness processes, systems and databases	Our ongoing relationship-building has improved the quality, currency and coverage of electors' lists.	Elections Canada has improved coverage and currency of the National Register of Electors as a result of collaborative working relationships with provincial and territorial electoral jurisdictions, as well as with federal partners that have common interests in addressing and geography.
	Improve content and accessibility of Elections Canada Web site	Ongoing	Short-term changes have enhanced the presentation of information and significantly improved accessibility for visitors with special needs. The Web site now meets the Treasury Board Secretariat Accessibility Guidelines. Elections Canada will further test and evaluate effectiveness in 2007–2008.

Sub-program	Commitment	Status	Results
Advertising Programs	Review advertising programs, improve delivery and define metrics	New creative concepts have been developed for use in the next general election, based on evaluations from the 39th general election.	The improved effectiveness of our advertising programs will be evaluated during the next general election.
Technology Renewal	Continue development and deployment of new IT and communications equipment necessary for the fulfillment of Elections Canada's mandate	A number of systems, databases, equipment and technology agreements have been updated and improved.	The effectiveness of these improvements will be evaluated during the next general election.
Electoral Technology Accord	Developments under the Accord are ongoing. A three-year work plan was proposed to federal and provincial chief electoral officers at their July 2007 conference.	Ongoing	The Accord allows for enhanced service delivery and quality, while reducing technology costs through shared systems and data models. To be evaluated during future electoral events.
Voter Registration Review	Continue strategic review of voter registration	A series of consultations with stakeholders produced a report recommending a new vision for voter registration.	The outcome is the development of a new vision of how voter registration could be enhanced for federal elections in Canada, and an implementation strategy that would result in further improved quality, currency and coverage of the lists of electors. The strategy would also reflect the modernization of the voter registration process, potentially increasing the number of options available to electors for registration.

Electoral Event Readiness and Improvements

In view of the results of the 39th general election, Elections Canada placed the utmost priority on achieving the necessary state of readiness to conduct another general election, a by-election and/or a referendum.

Did you know?

When a general election or referendum is held, approximately 180,000 election workers are required in 308 ridings across the country. The positions in each riding include deputy returning officers, poll clerks, revising agents, registration officers, information officers, automation coordinators, data entry staff and security officers.

Accordingly, much of our activity in 2006–2007 centred on preparing for the 40th general election by implementing a number of recommendations arising from the post-election evaluations.

Returning Officers

Elections Canada's post-event evaluations with returning officers resulted in recommendations that were implemented and tested during the by-elections held on November 27, 2006, in London North Centre and Repentigny (see section under Key Program 1, "Conducted by-elections in London North Centre and Repentigny").

Did you know?

Between December 2006 and April 2007, 26 selection committees across Canada conducted merit-based processes to recruit returning officers. Each committee had three members: the field liaison officer of the region where the competition was to be held (serving as chair), a field liaison officer from another region and a human resources specialist.

In accordance with the provisions of the *Federal Accountability Act*, which received royal assent on December 12, 2006, the Chief Electoral Officer reappointed 190 of the previous 308 ROs after consultations with the leaders of the political parties represented in the House of Commons. An open competition was held for the RO positions in the other 118 electoral districts after the *Federal Accountability Act* came into force.

The appointments were followed up with training sessions for all ROs and assistant ROs.

Field Liaison Officer Program

We continued to develop the Field Liaison Officer Program, which was first introduced during the 38th general election. This year, FLOs were more involved in the pre-planning activities conducted by ROs. They also played an important role in the selection of ROs, chairing the selection committees.

Election Materials

We purchased new materials as required to augment existing supplies and assembled them for the next general election. ROs have received the first shipment of materials, including forms and manuals. Other election materials are ready for shipping from Ottawa as soon as the writs are issued for the next election.

Making electoral information more accessible

After the 39th general election, Elections Canada reviewed its Web site (www.elections.ca) to assess the nature and accessibility of information presented to electors. The Web site now meets the Treasury Board Accessibility Guidelines for government Web sites. Further evaluation is planned for 2007–2008 to confirm the effectiveness of the changes that have been made.

Field Readiness

Elections Canada has undertaken multiple waves of pre-event activities to ensure that each riding is election-ready. Key activities include:

- polling division revision to improve accessibility
- planning for targeted revision
- identifying and hiring key staff
- identifying and maintaining an office location, including verification of telephony requirements (lines and handsets to be leased)

National Register of Electors

Elections Canada maintained strategic relationships with major federal partners during 2006–2007. These enabled the agency to obtain key data for use in improving the quality, currency and coverage of lists of electors.

- As a result of negotiations completed with the Canada Revenue Agency and with Citizenship and Immigration Canada, we now receive data updates monthly instead of quarterly to maintain elector information or add new electors to the Register.
- We obtained the Generalized Record Linkage System from Statistics Canada and are now implementing it. The system will improve record matching. It will also allow closer collaboration with Statistics Canada and Canada Post to develop a common addressing and geography network in time for the 2011 Census.
- We worked with Canada Post to conduct outreach mailings. These allowed us to confirm voter registration information for more than 1 million eligible electors.
- With the Canada Revenue Agency, we worked on legislative amendments providing for the addition of a question concerning citizenship to the income tax form, alongside the question asking for consent to transfer the filer's name and address information to Elections Canada. By answering the question, filers explicitly declare

their citizenship status and allow the information to be given to Elections Canada. This allows new electors, particularly youth, to be added to the Register without putting Elections Canada to the cost and effort of separately confirming their citizenship. The change was included in Bill C-31, which received royal assent in June 2007. As a result of further negotiations with the Canada Revenue Agency, tax filers will have the opportunity to declare their citizenship status on their income tax returns for 2007.

We made further improvements to the Register as a result of strategic relationships with key provincial and territorial driver's licence and vital statistics bureaus, and electoral agencies. These include increasing address currency, eliminating duplications, identifying potential new electors and removing deceased electors from the Register on a timely basis. Elections Canada also shares its data with provincial electoral agencies to help improve the accuracy of their lists of electors.

Elections Canada is working with Elections Ontario and the Ontario Municipal Property Assessment Corporation to determine the feasibility of developing a single source of elector information for Ontario. This work will continue in 2007–2008.

Our relationships gave us access to multiple data streams. We benefited as well from procedural changes, such as more frequent updates. As a result, the lists of electors prepared for March 2007 as part of regular readiness activities contained 92 percent of all eligible electors, with 84 percent of them listed at their current address. This met our coverage target of 92 percent and exceeded our accuracy target of 77 percent.

These figures are slightly lower than those in our *2005–2006 Departmental Performance Report*, which estimated that 94 percent of all eligible electors were listed, with 85 percent of these at their current address. The higher figures resulted from the integration of timely and high-quality updates from the 39th general election revision process; these customarily help to improve Register quality.

Elections Canada made efforts to check suspected non-residential addresses in the Register. By March 2007, we identified 19,000 such addresses, with a total of 32,000 electors associated with them. Through visits by ROs, 10,100 of these addresses were confirmed to be non-residential and the names of the associated electors were removed from the list. Another 140,000 addresses have been identified where electors potentially no longer reside. Activities are under way to verify the status of the addresses and the associated electors.

In 2006–2007, Elections Canada signed new agreements with the provinces of British Columbia, Ontario and Nova Scotia to share and maintain geographic information, including a

Improving Services to Canadians

During the year, Elections Canada completed a major polling division revision exercise. This resulted in the revision of 10,000 polling divisions. Contributing to the exercise were returning officers, members of Parliament, political parties and local riding associations. The revisions will make voting more accessible for Canadians and will improve the administration of polling station activities.

digital national road network. As a result of these agreements and other collaborations, over 92 percent of electors were georeferenced (that is, linked to a point on a map) in the National Geographic Database, enabling them to be assigned to a polling division. This is a slight rise from the 91 percent of electors who were georeferenced following the 39th general election. To maintain or increase this rate will involve maintaining existing partnerships and attempting to establish new ones with other jurisdictions.

Special Voter Registration

Elections Canada began redevelopment of the systems that support the Special Voting Rules for electors unwilling or unable to vote at a polling station. The aim is to replace obsolete technology, accommodate program expansion and establish a foundation for continued growth.

Major Incident Management

The winter timing of the 39th general election raised awareness of the need to be ready for any major incident, such as a storm, power outage or other threat that could affect the conduct of an electoral event. Elections Canada reviewed and enhanced its plan for detecting and responding to a major incident during a general election or a by-election, and resuming electoral operations as soon as possible afterwards.

Advertising

Elections Canada conducted an evaluation of the advertising and outreach programs used for the 39th general election. This included evaluating the effectiveness of the programs, particularly as they were received by Aboriginal people, ethnocultural communities, youth and electors with special needs. Given the short interval between the 38th and 39th general elections, the materials and programs for the two electoral events were essentially the same.

Recommendations from the evaluation included developing new creative materials with simpler visual elements and messages, as well as maintaining ongoing communications with youth between electoral events. Our evaluation of the effectiveness of our programs for the 39th general election also came from the Public Opinion Survey of Electors. Among its findings are the following:

- Three quarters of Canadians (76 percent) recalled seeing a radio, television or newspaper ad from Elections Canada.
- 15 percent of Canadians recalled seeing all three types of ads.
- 32 percent recalled seeing two of the three types of ads.
- Recollection of ads among youth and Aboriginal persons mirrored the general response levels.
- Collectively, just over half of those surveyed liked the ads to some degree.

These results have been taken into consideration in reviewing the advertising programs for the next general election.

We have also developed new creative concepts in advance of the 40th general election, building on the theme of social responsibility. We will also be working to develop a new evaluation framework, with performance indicators and benchmarks.

Technology Renewal

Elections Canada has identified a number of upgrade, replacement and enhancement initiatives for its technology and systems. We began developing and implementing these changes in 2005–2006, and the process continued in 2006–2007. Key elements included the following:

- We completed an upgrade of the Corporate and Register database in September 2006. This included testing of all applications at Elections Canada in Ottawa, and validation that they are compatible with the new database.
- We upgraded and began testing the application systems that operate in local Elections Canada offices. We completed RFP preparations for the replacement of the information technology hardware for the field offices. Final testing of new hardware and software for local Elections Canada offices is expected to be completed in October 2007. All systems are expected to be operational by the fall of 2007.

Voter Information Service

In the past fiscal year, Elections Canada implemented additional features and enhancements to the Voter Information Service, which responds to questions and requests for electoral information from the public 24 hours a day, seven days a week. We enhanced the public self-service Web site by adding links and data safeguards, and including on-line employment applications for use at election time. We upgraded the Voice Response System, providing a dynamic menu structure that updates the options available to callers as an electoral event progresses.

Electoral Technology Accord

In spring 2004, Canadian federal and provincial electoral agencies signed the Electoral Technology Accord. Its objective is to enhance service delivery and quality of electoral services, lower technology costs, and reduce the threat of technology obsolescence. Since then, a working group comprising most of the jurisdictions has been active on several fronts. A workshop was held in February 2007 on the challenges of training adult learners and identifying opportunities to develop joint training materials to be shared among agencies. The political financing component of the common data model was expanded in 2006–2007. The purpose and direction of the Accord were re-examined at the Chief Electoral Officers Conference in July 2007, at which time a three-year work plan was proposed to the Accord members.

Voter Registration

Elections Canada continued its strategic review of voter registration after the 39th general election. The review was conducted alongside preparations for the 40th general election, with the contribution of all stakeholders. A series of consultations was held with Elections Canada staff, returning officers, field liaison officers, political parties, chief electoral officers from other jurisdictions and data suppliers. The consultations identified a new vision for voter registration to be considered. The new vision could further improve the quality of the list of electors and help modernize the voter registration process, ultimately providing electors with more registration options.

Key Program 3: Public Education, Information and Support for Stakeholders

Expected Results:

Provide timely and high-quality public education and information programs, as well as assurance that support on electoral matters is available to the public, parliamentarians and political entities.

Financial Resources ($ thousands)

Planned Spending	Authorities	Actual Spending
$8,606	$7,066	$6,542

Performance Highlights

Sub-program	Commitment	Status	Results
Voter Education and Outreach Programs	Evaluate and enhance outreach programs	Ongoing	In future electoral events, Elections Canada will evaluate the effectiveness of voter education and outreach programs in increasing knowledge and awareness among certain target audiences, as well as raising voter turnout.
Stakeholder Information and Support	Provide expert advice and support to stakeholders (i.e. parliamentarians)	Successfully met	Legislation before Parliament in 2006–2007 stemmed from recommendations by the Chief Electoral Officer, who also made numerous appearances before various committees to provide expert advice.

Sub-program	Commitment	Status	Results
International Assistance	Help emerging democracies develop capacity to deliver electoral events meeting internationally recognized standards	Elections Canada led the International Mission for Monitoring Haitian Elections and the Canadian Mission for Accompanying Haitian Elections.	• Elections Canada made an important contribution to Haiti's electoral capacity, a vital aspect of longer-term democratic development, good governance and security. • Haiti held parliamentary, local and municipal elections that met internationally recognized standards. • In an appearance before the House of Commons Standing Committee on Foreign Affairs and International Development on May 30, 2006, the Director of Haiti's Conseil électoral provisoire, Jacques Bernard, reported that the International Mission contributed in important ways to the success of electoral events in Haiti.
	Share information and expertise with other electoral authorities and international organizations	Successfully met	Elections Canada received numerous international delegations, and participated in various national and international fora for the exchange of electoral knowledge and expertise.

Voter Education and Outreach Programs

After the 39th general election, Elections Canada conducted a post-mortem on our outreach initiatives targeting youth, Aboriginal people, ethnocultural communities and electors with special needs. The post-mortem determined that most initiatives undertaken during the election were quite successful. One of the most significant recommendations emerging from this process was that the agency should expand outreach programs to the period between elections. Other initiatives taken as a result of the post-mortem exercises include the following:

- In view of the success of Student Vote 2004 and 2006, Elections Canada is renewing its support for this program for the 40th general election. The program targets Canadian students who have not yet reached voting age. It aims to develop a habit of participation by giving them the opportunity to vote in a parallel election simulation for the candidates in their school's electoral district.
- The "Aboriginal Voters" section of the Elections Canada Web site was reorganized to make relevant information more accessible.

- Elections Canada renewed its partnership with the Assembly of First Nations in December 2006. We are now partnering with the Assembly for the development of a First Nations voter education campaign.
- Elections Canada also developed a database of colleges and universities, including location, contacts, number of students and number of residences. This will facilitate the planning and delivery of services to students.

Stakeholder Information and Support

Elections Canada continued to provide stakeholders with timely and high-quality information, advice, products and support in 2006–2007.

The Chief Electoral Officer was invited to appear before House and Senate committees to discuss the administration of elections, reports and recommendations to Parliament, and legislation that amends the *Canada Elections Act* or the *Referendum Act*. The Chief Electoral Officer made 12 appearances during 2006–2007, as follows:

Date	Committee	Topic
Appearances by Jean-Pierre Kingsley:		
April 27, 2006	House of Commons Standing Committee on Procedure and House Affairs	Bill C-4, *An Act to amend An Act to amend the Canada Elections Act and the Income Tax Act* (sunset clause)
May 3, 2006	Standing Senate Committee on Legal and Constitutional Affairs	Bill C-4, *An Act to amend An Act to amend the Canada Elections Act and the Income Tax Act* (sunset clause)
May 16, 2006	House of Commons Legislative Committee on Bill C-2	Bill C-2, *Federal Accountability Act*
May 30, 2006	House of Commons Standing Committee on Foreign Affairs and International Development	Study on Haitian Elections, 2006
June 13, 2006	House of Commons Standing Committee on Procedure and House Affairs	Report on the 38th general election, recommendations; study on the election of members to the House
September 19, 2006	Standing Senate Committee on Legal and Constitutional Affairs	Bill C-2, *Federal Accountability Act*
September 26, 2006	House of Commons Standing Committee on Procedure and House Affairs	Bill C-16, *An Act to amend the Canada Elections Act* (fixed election dates)
October 26, 2006	House of Commons Standing Committee on Procedure and House Affairs	Government response to the Committee's report, *Improving the Integrity of the Electoral Process*
November 1, 2006	House of Commons Standing Committee on Foreign Affairs and International Development	Study on democratic development

Date	Committee	Topic
December 7, 2006	House of Commons Standing Committee on Procedure and House Affairs	Bill C-31, *An Act to amend the Canada Elections Act and the Public Service Employment Act* (identification at the polls)
January 31, 2007	Standing Senate Committee on Legal and Constitutional Affairs	Bill C-16, *An Act to amend the Canada Elections Act* (fixed election dates)
Appearances by Marc Mayrand:		
March 22, 2007	Parliamentary Advisory Panel on the Funding and Oversight of Officers of Parliament (in camera)	To present the Office of the Chief Electoral Officer, describe its sources of funding and the challenges it faces, and initiate a discussion on the annual appropriation it receives from Parliament.

Following adoption by Parliament of the *Federal Accountability Act* and its amendments to the *Canada Elections Act*, Elections Canada reviewed and updated all of its information products affected by the changes, including information sheets providing the agency's interpretation of certain provisions of the new legislation. As described earlier in this report, one of the consequences of the new law was a change in the way that returning officers are appointed.

Bill C-31, *An Act to amend the Canada Elections Act and the Public Service Employment Act,* was introduced in Parliament in 2006–2007. Some elements of the legislation stem from recommendations made by the Chief Electoral Officer in his 2005 report entitled *Completing the Cycle of Electoral Reforms*, submitted following the 38th general election.

International Assistance

Through multilateral programs, Elections Canada continued to help emerging democracies develop their institutional capacity for delivering electoral events that strive to meet internationally recognized standards and criteria. This included support for Haiti's parliamentary, presidential, local and municipal elections. Elections Canada led the International Mission for Monitoring Haitian Elections (IMMHE) and the Canadian Mission for Accompanying Haitian Elections (CMAHE). These activities were carried out in co-operation with Foreign Affairs and International Trade Canada and the Canadian International Development Agency, which also provided funding.

In the past fiscal year, we monitored the second round of parliamentary elections held in Haiti on April 21, 2006. This involved deployment of long- and short-term observers, conducting expert assessments, and producing interim statements and a final report in five languages.

For further information on Haitian elections, visit the IMMHE Web site: http://www.mieeh-immhe.ca/index_e.html

CMAHE provided electoral guidance, advice and observation from October to December 2006 for municipal and local elections in Haiti.

Elections Canada made an important contribution to Haiti's electoral capacity, a key aspect of Canada's support for Haiti's long-term democratic development and security. Our efforts were recognized by members of the House of Commons Standing Committee on Foreign Affairs and International Development as well as a number of witnesses during the Committee's studies of Haiti and Canada's role in international democratic development.

The mission in Haiti was modelled on the International Mission for Iraqi Elections (IMIE), also led by the Chief Electoral Officer and carried out in 2005–2006. The IMIE's successes were recognized in May of this year by Iraq's ambassador to Canada, who noted that Elections Canada "provided effective, concrete assistance to Iraq's democratic process."

A Global Role

Elections Canada's electoral expertise and knowledge enables Canada to play a leading role in supporting democratic processes around the world.

During the year, Elections Canada officials received 15 international delegations of electoral officials, met overseas with electoral officials from other countries 14 times and had a number of speaking engagements before various fora such as the ACE Electoral Knowledge Network, the Inter-American Union of Electoral Organizations, the International Organization for Migration, and the Global Electoral Organization Network. These activities provided a valuable opportunity to share electoral expertise internationally. They are an indication of Elections Canada's significant contribution to Canada's leading role in supporting democratic processes around the world.

Key Program 4: Electoral Boundaries Redistribution

Expected Results:

Administer the Electoral Boundaries Readjustment Act, *under which federal electoral boundaries are readjusted by independent commissions after each decennial (10-year) census to reflect changes and movements in Canada's population.*

Financial Resources ($ thousands)

Planned Spending	Authorities	Actual Spending
$0	$0	$0

Electoral boundaries redistribution was last completed in 2003–2004. Once we receive the 2011 Census return, redistribution will begin again.

Other Programs and Services

(Note: Financial resource included under Key Program 2)

Performance Highlights

Sub-program	Commitment	Status	Results
Human Resources Modernization	Formalize human resources plans and services in the context of the *Public Service Modernization Act*	Work is ongoing to formalize human resources plans. Policies and guidelines have been developed to support modernization and the new *Public Service Labour Relations Act* and the *Public Service Employment Act*. This work will continue into 2007–2008.	Elections Canada has met all statutory deadlines.
	Review key human resources management performance indicators	Completed	The agency is complying with its Staffing Management Accountability Framework.
Modern Management Practices	Develop performance management framework	A draft corporate logic model was developed by late March 2007. Work will continue in 2007–2008.	In progress.

Sub-program	Commitment	Status	Results
	Review Strategic Plan	Elections Canada developed a new draft Strategic Plan in 2006–2007 but it was not finalized for several reasons, including the appointment of a new Chief Electoral Officer and the introduction or consideration of significant electoral reforms in legislation. The agency decided to initiate a new strategic planning process in June 2007.	A new Strategic Plan will be completed in 2007–2008.
Audit and Assurance Services	Implement Internal Audit framework in accordance with the new Treasury Board Policy.	Elections Canada is currently implementing the requirements for internal audit in the Treasury Board Policy on Internal Audit, including the development of a three-year risk-based audit plan.	In progress.
	2006–2007 financial statements audit	Completed	The Office of the Auditor General issued an unqualified opinion on the financial statements. For the second consecutive year, a formal management letter was deemed unnecessary.
	Respond to Auditor General's recommendations	Elections Canada will continue to address the recommendations of the Auditor General.	Elections Canada followed up on specific commitments made in response to the 2005 audit recommendations from the Office of the Auditor General of Canada. A master list and status report of the actions completed are planned for review by the agency's Audit Committee in 2007–2008.

Human Resources Modernization

Elections Canada has been working to formalize its human resources plan in the context of the *Public Service Modernization Act.* In 2006–2007, we developed policies and guidelines to support modernization and the new *Public Service Labour Relations Act* and the *Public Service Employment Act.* This work included preparing and providing mandatory policies, guidelines, terms of reference, briefing notes to management, information for employees and information sessions for management on the *Public Service Modernization Act*, and staffing sub-delegation training for managers.
We also reviewed our key human resources management performance indicators to improve human resources planning, development and management. The Staffing Management Accountability Framework identifies a total of nine indicators. According to the Public Service Commission's first Departmental Staffing Accountability Report, Elections Canada met seven of the nine indicators, with the remaining two classified as "in progress."

Modern Management Practices

Performance Management Framework. Elections Canada completed the first step toward developing a corporate performance management framework by late March 2007, with a documentation review conducted by key managers. This led to the preparation of a draft logic model. Work is continuing toward the development of an overall performance framework for Elections Canada in 2007–2008.

Review of Strategic Plan. Elections Canada developed a new draft Strategic Plan in 2006–2007, but it was not finalized because a new Chief Electoral Officer took office and significant electoral reforms were being considered or introduced in legislation. Elections Canada decided to initiate a new strategic planning process in June 2007. A new Strategic Plan will be completed in 2007–2008.

Internal Audit

Elections Canada is currently implementing the requirements for internal audit in accordance with the Treasury Board Policy on Internal Audit.

The 2007–2008 financial statements of Elections Canada were audited by the Office of the Auditor General. The Office of the Auditor General issued an unqualified opinion on the financial statements. For the second consecutive year, a formal management letter was deemed unnecessary.

Section III – Supplementary Information

Organizational Information

Elections Canada's Organization and Accountability

The Office of the Chief Electoral Officer, commonly known as Elections Canada, is headed by the Chief Electoral Officer, who is appointed by resolution of the House of Commons. Reporting directly to Parliament, the Chief Electoral Officer is independent of the federal government and political parties.

The Chief Electoral Officer is seconded by the Deputy Chief Electoral Officer and Chief Legal Counsel, and is supported by the following directorates:

- Operations, Register and Geography
- Outreach, Communications and Research
- Political Financing and Corporate Services
- Legislative Policy and Analysis
- Information Technology
- Internal Audit and Investigations

The *Canada Elections Act* gives the Chief Electoral Officer authority to appoint:

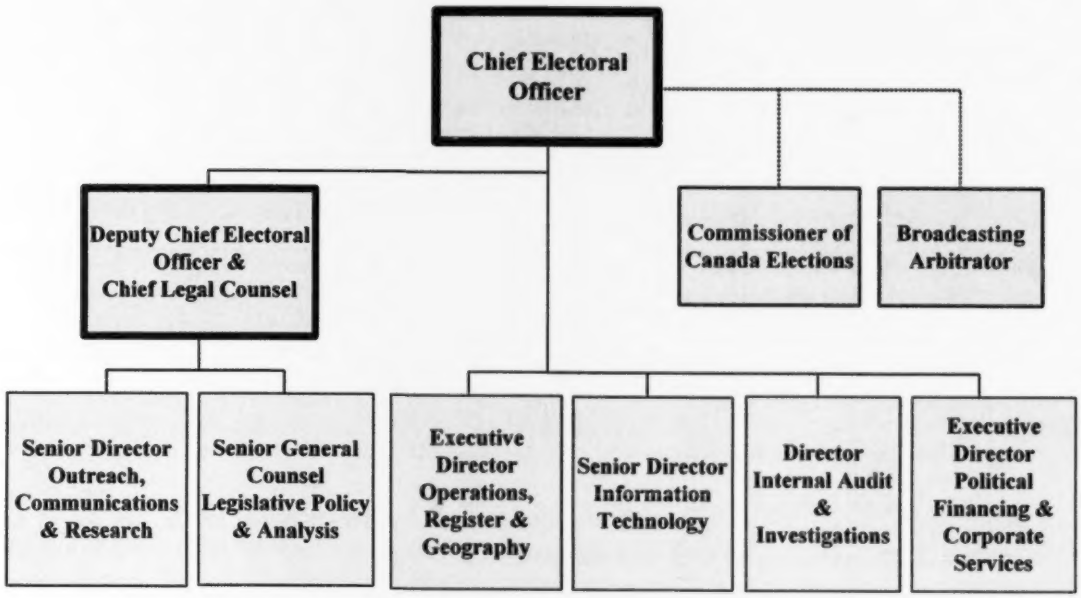
- the Commissioner of Canada Elections
- the Broadcasting Arbitrator
- a returning officer for each federal electoral district

The Act provides the statutory framework under which all these office-holders operate. In the case of returning officers, it also authorizes the Chief Electoral Officer to provide them with instructions as required for the administration of the Act.

In addition, Elections Canada retains the services of 30 field liaison officers. They support the work of returning officers in the field, acting as functional leaders, quality enhancers and troubleshooters. They are responsible as well for liaising with the media at the local level.

The diagram on the next page presents the agency's organizational structure and reporting relationships.

Elections Canada's Organizational Structure


Chief Electoral Officer
Deputy Chief Electoral Officer & Chief Legal Counsel
Commissioner of Canada Elections
Broadcasting Arbitrator
Senior Director Outreach, Communications & Research
Senior General Counsel Legislative Policy & Analysis
Executive Director Operations, Register & Geography
Senior Director Information Technology
Director Internal Audit & Investigations
Executive Director Political Financing & Corporate Services

Financial Tables

In 2006–2007, the following financial tables were applicable to Elections Canada's operations.

Table 1: Comparison of Planned to Actual Spending (including Full-time Equivalents)

($ thousands)	2004–2005 Actual	2005–2006 Actual	2006–2007			
			Main Estimates	Planned Spending	Total Authorities	Total Actuals
Elections	273,640	314,387	87,226	87,226	118,673	115,216
Total	**273,640**	**314,387**	**87,226**	**87,226**	**118,673**	**115,216**
Less: Non-respendable revenue	–	–	–	–	–	–
Plus: Cost of services received without charge	5,220	5,472		5,346		5,832
Total Agency Spending	**278,860**	**319,859**	**87,226**	**92,572**	**118,673**	**121,048**
Full-time Equivalents	**386**	**452**	**361**	**361**	**447**	**396**

Table 2: Resources by Program Activity

2006–2007 ($ thousands)									
	Budgetary							Plus: Non-budgetary	
Program Activity	Operating	Capital	Grants	Contributions and Other Transfer Payments	Total: Gross Budgetary Expenditures	Less: Respendable Revenue	Total: Net Budgetary Expenditures	Loans, Investments, and Advances	Total
Elections									
Main Estimates	60,951	–	–	26,275	**87,226**	–	**87,226**	–	**87,226**
Planned Spending	60,951	–	–	26,275	**87,226**	–	**87,226**	–	**87,226**
Total Authorities	92,089	–	–	26,584	**118,673**	–	**118,673**	–	**118,673**
Actual Spending	88,632	–	–	26,584	**115,216**	–	**115,216**	–	**115,216**

Table 3: Voted and Statutory Items

Vote or Statutory Item	Truncated Vote or Statutory Wording	2006–2007 ($ thousands)			
		Main Estimates	Planned Spending	Total Authorities	Total Actuals
15	Program expenditures	21,468	21,468	22,026	18,569
(S)	Salary of the Chief Electoral Officer	224	224	480	480
(S)	Expenses of elections	61,455	61,455	92,088	92,088
(S)	Contributions to employee benefit plans	4,079	4,079	4,079	4,079
	Total	**87,226**	**87,226**	**118,673**	**115,216**

Table 4: Services Received Without Charge

Refer to note 10(a) in the financial statements.

Table 5: Details on Transfer Payment Programs (TPPs)

1) Name of Transfer Payment Program: Reimbursements to candidates, parties and auditors, and allowances to eligible political parties (new political financing provision of the *Canada Elections Act*)

2) Start Date: Ongoing | **3) End Date:** Ongoing

4) Description: Elections Canada's role is to administer the *Canada Elections Act*, which has three main objectives: fairness, transparency and participation.

To promote fairness and participation, the Act provides for reimbursement of election expenses to candidates and parties, and a subsidy for certain auditors' fees. A candidate who is elected or receives at least 10% of the valid votes cast at an election is entitled to a reimbursement of 60% of the election expenses limit. A registered party is eligible for reimbursement of election expenses if the party obtains 2% or more of the total valid votes cast nationally, or 5% of the valid votes cast in electoral districts where the party has endorsed candidates. The Act provides for a subsidy, equal to the lesser of $1,500 or 3% of the candidate's election expenses with a minimum of $250, to be paid out of public funds directly to the candidate's auditor.

A registered association that has, in a fiscal period, accepted contributions or incurred expenses of $5,000 or more in total (less transfers to other political entities), must obtain an audit report that provides an audit opinion as to whether the Registered Association Financial Transactions Return presents fairly the information contained in the financial records on which it is based. When an audit of the Registered Association Financial Transactions Return is required, the Act provides for a subsidy of a maximum of $1,500 for the audit of the expenses. This amount is paid out of public funds directly to the electoral district association's auditor after the Chief Electoral Officer has received the return, the auditor's report, and other documents required to accompany the return.

For eligible political parties, the Act also provides for the payment of a quarterly allowance according to the following formula: a registered political party that obtained at least 2% of the total valid votes cast in a general election, or 5% of the valid votes cast in the ridings where it presented candidates, has the right to a quarterly allowance that is calculated as the product of $0.4375 multiplied by the number of valid votes cast in the most recent general election preceding that quarter and the inflation adjustment factor that is in effect for that quarter.

5) Strategic Outcomes: Electoral events that are fair and accessible within the context of, and in accordance with, constitutional and legal requirements.

6) Results Achieved: Elections Canada issued payments of quarterly allowances to eligible registered parties in accordance with the Act.

($ thousands)	7) Actual Spending 2004–2005	8) Actual Spending 2005–2006	9) Planned Spending 2006–2007	10) Total Authorities 2006–2007	11) Actual Spending 2006–2007	12) Variance(s) between 9 and 11
13) General elections and by-elections						
– Candidates	26,481	24,628		(684)	(684)	684
– Political parties	30,548	27,998		(816)	(816)	816
– Candidates' auditors	1,255	1,124		(246)	(246)	246
14) Quarterly allowances						
– Allowance to eligible political parties	7,226	24,536	25,300	27,452	27,452	(2,152)
15) Electoral district associations' auditors						
– Electoral district associations' auditors		932	975	878	878	97
16) Total TPP	65,510	79,218	26,275	26,584	26,584	(309)
17) Comment(s) on variance(s)	The variance between the planned spending and the actual spending for the 2006–2007 quarterly allowance to political parties is due to the increased voter participation in the 39th general election, along with an increase in the inflation adjustment factor. The variance between the planned spending and the actual spending for reimbursement of election expenses to eligible candidates and parties, as well as payments of subsidies to candidates' auditors, is due to reversal of an overestimated Payable-at-year-end.					

Table 6: Response to Parliamentary Committees, and Audits and Evaluations

Committee Correspondence – April 1, 2006, to March 31, 2007
Between April 1, 2006, and March 31, 2007, the Chief Electoral Officer sent eight letters following his appearances before committees of the House of Commons or Senate. Of the letters, five were addressed to the Chair of the House Standing Committee on Procedure and House Affairs, two to the Chair of the Standing Senate Committee on Legal and Constitutional Affairs, and one to the Chair of the House Standing Committee on Foreign Affairs and International Trade. The letters are as follows: 1. June 13, 2006, to Gary Goodyear, Chair of the House Standing Committee on Procedure and House Affairs, further to the Chief Electoral Officer's appearance on April 27, 2006, during the Committee's study of Bill C-4, *An Act to amend An Act to amend the Canada Elections Act and the Income Tax Act* (sunset clause) 2. September 26, 2007, to Senator Donald Oliver, Chair of the Standing Senate Committee on Legal and Constitutional Affairs, further to the Chief Electoral Officer's appearance on September 19, 2006, during the Committee's study of Bill C-2, the *Federal Accountability Act* 3. October 5, 2006, to Gary Goodyear, Chair of the House Standing Committee on Procedure and House Affairs, further to the Chief Electoral Officer's appearances on June 13, 2006, and September 26, 2006, during the Committee's studies of the Report on the 38th general election, recommendations; study on the election of members to the House; and Bill C-16, *An Act to amend the Canada Elections Act* (fixed election dates) 4. November 29, 2006, to Gary Goodyear, Chair of the House Standing Committee on Procedure and House Affairs, further to the Chief Electoral Officer's appearance on October 26, 2006, during the Committee's study of the Government response to the Committee's report, *Improving the Integrity of the Electoral Process* 5. December 12, 2006, to Gary Goodyear, Chair of the House Standing Committee on Procedure and House Affairs, further to the Chief Electoral Officer's appearance on December 7, 2006, during the Committee's study of Bill C-31, *An Act to amend the Canada Elections Act and the Public Service Employment Act* (identification at the polls) 6. December 12, 2006, to Kevin Sorenson, Chair of the House Standing Committee on Foreign Affairs and International Development, further to the Chief Electoral Officer's appearance on November 1, 2006, during the Committee's study on democratic development 7. January 26, 2007, to Gary Goodyear, Chair of the House Standing Committee on Procedure and House Affairs, further to the Chief Electoral Officer's appearance on October 26, 2006, during the Committee's study of the Government response to the Committee's report, *Improving the Integrity of the Electoral Process* 8. February 23, 2007, to Senator Donald Oliver, Chair of the Standing Senate Committee on Legal and Constitutional Affairs, further to the Chief Electoral Officer's appearance on January 31, 2007, during the Committee's study of Bill C-16, *An Act to amend the Canada Elections Act* (fixed election dates)

Response to the Auditor General of Canada, including to the Commissioner of the Environment and Sustainable Development
The Auditor General of Canada, Sheila Fraser, tabled her report to the House of Commons on November 22, 2005. Chapter 6 of the report is entitled "Elections Canada – Administering the Federal Electoral Process." The Chief Electoral Officer responded to the five recommendations contained in the report and work continued throughout 2006–2007 on addressing the recommendations. The recommendations highlighted opportunities for exploring ways to improve efficiency in certain aspects of activities, the quality of performance measures, reporting to Parliament on our strategic direction, and our human resources planning and information systems. A complete master list and status report of the actions completed are planned for review by the agency's Audit Committee in 2007–2008. For further information on the Auditor General's recommendations concerning Elections Canada, click here: http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20051106ce.html
Internal Audits or Evaluations
The internal audit function is a key component of Elections Canada's governance framework. The agency has initiated the enhancements required under the new internal audit policy that came into force on April 1, 2006. This activity is in progress and Elections Canada is committed to continuing the work in 2007–2008 to meet the April 1, 2009, deadline for full implementation.

Table 7: Procurement and Contracting

Agency	Elections Canada
Points to Address	**Agency's Input**
1. Role played by procurement and contracting in delivering programs	The Contracts and Procurement Division becomes involved early in the process. It helps the program/project managers to determine the best procurement strategy and establish a realistic timeline for ensuring that the program objectives are achieved through the contractual process, as required.
2. Overview of how the agency manages its contracting function	The contracting function at Elections Canada is centralized. Two senior contracting officers respond to their assigned directorate clients' contracting and procurement requests. This set-up allows the parties to build a relationship, understand each other's business processes and interact smoothly. It also permits a quick turnaround when time is of the essence.
3. Progress and new initiatives enabling effective and efficient procurement practices	Training sessions are conducted periodically for directors, managers and administrative officers to increase their awareness of the contracting and procurement process in the federal government.

Table 8: Audited Financial Statements

Financial statements are prepared in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector and are audited by the Office of the Auditor General. The unaudited supplementary information presented in the financial tables in the Departmental Performance Report is prepared on a modified cash basis of accounting in order to be consistent with appropriations-based reporting. Note 4 of the financial statements reconciles these two accounting methods. (See Appendix A.)

Appendices

Appendix A: Financial Statements

OFFICE OF THE CHIEF ELECTORAL OFFICER

For the year ended March 31, 2007

Management Responsibility for Financial Statements

Responsibility for the integrity and objectivity of the accompanying Financial Statements for the year ended March 31, 2007 and all information contained in these statements rests with the management of the Office of the Chief Electoral Officer.

These Financial Statements have been prepared by management in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector and year-end instructions issued by the Office of the Comptroller General. Some of the information in the Financial Statements is based on management's best estimates and judgements and gives due consideration to materiality. These statements should be read within the context of the significant accounting policies set out in the Notes.

Management maintains a system of financial management and internal controls designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded, resources are managed economically and efficiently in the attainment of corporate objectives, and that transactions are in accordance with the *Financial Administration Act* and regulations, the *Canada Elections Act*, the *Referendum Act*, the *Electoral Boundaries Readjustment Act* and the Constitution Acts. Management is also supported and assisted by a program of internal audit services.

The Auditor General of Canada, the independent auditor for the Government of Canada, has audited the transactions and the Financial Statements and issued the attached auditor's report.

Marc Mayrand
Chief Electoral Officer of Canada

Janice Vézina
Executive Director, Political Financing and Corporate Services

Ottawa, Canada
July 13, 2007

AUDITOR'S REPORT

To the Speaker of the House of Commons

I have audited the statement of financial position of the Office of the Chief Electoral Officer as at March 31, 2007 and the statements of operations, equity of Canada and cash flow for the year then ended. These financial statements are the responsibility of the Office's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Office as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Further, in my opinion, the transactions of the Office that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* and regulations, the *Canada Elections Act*, the *Referendum Act* and the *Electoral Boundaries Readjustment Act*.

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

Ottawa, Canada
July 13, 2007

OFFICE OF THE CHIEF ELECTORAL OFFICER

Statement of Financial Position

At March 31

(in thousands of dollars)

	2007	2006 (Restated – Note 3)
ASSETS		
Financial assets		
Accountable advances	$ 6	$ 8
Due from the Consolidated Revenue Fund	23,592	66,027
Receivables		
- from external parties	897	1,059
- from government departments and agencies	767	863
Total financial assets	**25,262**	**67,957**
Non-financial assets		
Prepaid expenses	907	478
Consumable supplies	8,733	5,575
Tangible capital assets (Note 5)	16,062	13,859
Total non-financial assets	**25,702**	**19,912**
Total	**$50,964**	**$87,869**
LIABILITIES		
Accounts payable and accrued liabilities		
- to external parties	$20,024	$58,782
- to government departments and agencies	2,059	3,843
Accrued employee salaries and benefits	2,206	2,601
Lease obligation for tangible capital asset (Note 6)	249	152
Provision for vacation leave	1,294	1,305
Deposits from political candidates	71	1,666
Employee severance benefits (Note 7)	3,655	3,352
Provision for contingent liabilities	56	80
Total liabilities	**29,614**	**71,781**
EQUITY OF CANADA	**21,350**	**16,088**
Total	**$50,964**	**$87,869**

Contractual Obligations (Note 8)

The accompanying notes form an integral part of these Financial Statements.

Approved by:

Marc Mayrand
Chief Electoral Officer of Canada

Janice Vézina
Executive Director, Political Financing and Corporate Services

OFFICE OF THE CHIEF ELECTORAL OFFICER

Statement of Operations

For the Year Ended March 31
(in thousands of dollars)

	2007	2006
Expenses (Note 9)		
Salaries and benefits	$37,253	$127,914
Political parties quarterly allowance	27,452	24,536
Professional services	23,079	29,820
Rental of equipment and accommodation	7,202	23,771
Advertising, publishing and printing	6,225	25,377
Travel and communication	6,013	26,702
Amortization of tangible capital assets	4,532	4,498
Repair and maintenance of equipment	2,072	2,431
Small equipment	1,661	1,435
Utilities, materials and supplies	1,106	1,816
Interest and other charges	6	38
Reimbursement (adjustments) of candidates' and parties' expenses	(868)	54,681
Total Expenses	**115,733**	**323,019**
Non-tax revenue	**(69)**	**(48)**
Net Cost of Operations	**$115,664**	**$322,971**

The accompanying notes form an integral part of these Financial Statements.

OFFICE OF THE CHIEF ELECTORAL OFFICER

Statement of Equity of Canada

For the Year Ended March 31
(in thousands of dollars)

	2007	2006 (Restated – Note 3)
Equity of Canada, beginning of year, as previously stated	**$9,805**	**$19,666**
Change in accounting policy	-	(96)
Adjustment of Prior Year Financial Statements (Note 3)	6,283	-
Equity of Canada, beginning of year, restated	**16,088**	**19,570**
Net cost of operations	(115,664)	(322,971)
Change in Due from the Consolidated Revenue Fund	(42,435)	36,470
Net cash provided by Government	157,529	277,547
Services provided without charge (Note 10)	5,832	5,472
Equity of Canada, end of year	**$21,350**	**$16,088**

The accompanying notes form an integral part of these Financial Statements.

OFFICE OF THE CHIEF ELECTORAL OFFICER
Statement of Cash Flow

For the Year Ended March 31
(in thousands of dollars)

	2007	2006 (Restated – Note 3)
OPERATING ACTIVITIES		
Net cost of operations	$115,664	$322,971
Non-Cash items:		
Amortization of tangible capital assets	(4,532)	(4,498)
Services provided without charge	(5,832)	(5,472)
Variation in Statement of Financial Position:		
(Decrease) increase in accounts receivable and advances	(260)	587
Increase in prepaid expenses	429	99
Increase (decrease) in consumable supplies	3,158	(1,099)
Decrease (increase) in liabilities	42,264	(37,289)
Cash used by operating activities	**150,891**	**275,299**
CAPITAL INVESTMENT ACTIVITIES		
Acquisition of tangible capital assets (excluding capital leases)	6,589	2,218
Payment of capital lease obligations	49	30
Cash used by capital investment activities	**6,638**	**2,248**
NET CASH PROVIDED BY GOVERNMENT OF CANADA	**$157,529**	**$277,547**

The accompanying notes form an integral part of these Financial Statements.

OFFICE OF THE CHIEF ELECTORAL OFFICER
Notes to Financial Statements

For the year ended March 31, 2007

1. Authority and Objectives

The Office of the Chief Electoral Officer (the Office), commonly known as Elections Canada, is headed by the Chief Electoral Officer who is appointed by resolution of the House of Commons and reports directly to Parliament. The Chief Electoral Officer is completely independent of the federal government and political parties. The Office is named in Schedule I.1 of the *Financial Administration Act*.

The Office's objectives are to enable the Canadian electorate to elect members to the House of Commons in accordance with the *Canada Elections Act*; to ensure compliance with and enforcement of all provisions of the *Canada Elections Act*; to calculate the number of members of the House of Commons to be assigned to each province pursuant to the *Electoral Boundaries Readjustment Act* and in accordance with the provisions of the Constitution Acts; and to provide the necessary technical, administrative and financial support to the ten electoral boundaries commissions, one for each province, in accordance with the *Electoral Boundaries Readjustment Act*.

The Office is funded by an annual appropriation (which provides for the salaries of permanent, full-time staff) and the statutory authority contained in the *Canada Elections Act*, the *Referendum Act* and the *Electoral Boundaries Readjustment Act*. The statutory authority provides for all other expenditures, including the costs of electoral events, maintenance of the National Register of Electors, quarterly allowances to eligible political parties, redistribution of electoral boundaries and continuing public education programs.

2. Summary of Significant Accounting Policies

(a) **Basis of presentation** – These Financial Statements have been prepared in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector, and year-end instructions issued by the Office of the Comptroller General.

(b) **Parliamentary appropriations** – The Office operates under two funding authorities: an annual appropriation and the statutory authority. Appropriations provided to the Office do not parallel financial reporting according to Canadian generally accepted accounting principles for the public sector. They are based in a large part on cash flow requirements. Consequently, items recognized in the Statement of Operations and the Statement of Financial Position are not necessarily the same as those provided through appropriations from Parliament.

Note 4 to these Financial Statements provides information regarding the source and disposition of these authorities and provides a high-level reconciliation between the two bases of reporting.

(c) **Due from the Consolidated Revenue Fund** – The Office operates within the Consolidated Revenue Fund (CRF) which is administered by the Receiver General for Canada. All cash received by the Office is deposited to the CRF and all cash disbursements made by the Office are paid from the CRF. Due from the CRF represents the amount of cash that the Office is entitled to draw from the Consolidated Revenue Fund without further appropriations in order to discharge its liabilities.

Net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(d) **Receivables** – Receivables are stated at amounts expected to be ultimately realized. A provision is made for receivables where recovery is considered uncertain.

(e) **Consumable supplies** – Consumable supplies consist mainly of forms and publications used to administer election events and documents distributed to political entities. These supplies are recorded at weighted average cost. The cost is charged to operations in the period in which the items are consumed. If they no longer have service potential, they are valued at the lower of cost or net realizable value.

(f) **Tangible capital assets** – Tangible capital assets are recorded at historical cost less accumulated amortization. The Office records as tangible capital assets all expenses providing multi-year benefits and leasehold improvements having an initial cost of $5,000 or more. Similar items less than $5,000 are expensed in the Statement of Operations under small equipment. Capital assets acquired for software under development are amortized once that software is put into production.

Amortization is calculated on a straight-line basis over the estimated useful life of the tangible capital assets as follows:

Asset Class	Useful Life
Office equipment	3 to 10 years
Informatics equipment	3 years
Software	3 to 5 years
Furniture and fixtures	10 years
Vehicles	5 years
Motorized equipment	10 years
Leasehold improvements and capital leases	Term of lease

(g) **Salaries and benefits, and vacation leave** – Salaries and benefits, and vacation leave are expensed as the salary or benefits accrue to the employees under their respective terms of employment. The employee salaries and benefits liability is calculated based on the respective terms of employment using the employees' salary levels at year end, and the number of days remaining unpaid at the end of the year. The liability for vacation leave is calculated at the salary levels in effect at the end of the year for all unused vacation leave benefits accruing to employees.

(h) **Employee future benefits**

1) Pension benefits – Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. The Office's contributions to the Plan are charged to expenses in the year incurred and represent the total Office's obligation to the Plan. Current legislation does not require the Office to make contributions for any actuarial deficiencies of the Plan.

2) Severance benefits – Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation related to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(i) **Contingent liabilities** – Contingent liabilities are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the Financial Statements.

(j) **Services provided without charge** – Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans, audit services and legal services are recorded as operating expenses, at their estimated cost, in the Statement of Operations. A corresponding amount is reported directly in the Statement of Equity of Canada.

(k) **Political parties quarterly allowance** – The *Canada Elections Act* allows for the payment from public funds of quarterly allowances to qualifying registered parties. The quarterly allowance is calculated based on the results of the most recent general election preceding the quarter. This allowance is expensed in each quarter of the calendar year as directed by the Act.

(l) **Measurement uncertainty** – The preparation of Financial Statements in accordance with Canadian generally accepted accounting principles for the public sector and year-end instructions issued by the Office of the Comptroller General requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of income and cost of operations during the reporting year.

At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant estimates used are contingent liabilities, the liability for employee severance benefits, consumable supplies, the useful life of tangible capital assets and candidate and party reimbursement of eligible election expenses. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the Financial Statements in the year they become known.

3. Adjustment of Prior Year Financial Statements

The Office has restated its Financial Statements for the year ended March 31, 2006, in order to correct an error in the Due from the Consolidated Revenue Fund and the Receivables from government departments and agencies. The 2006 balance of these accounts was reduced by an incorrect amount for the GST Refundable Advance Account. Consequently adjustments were made to correct this error.

As a result, the Due from the Consolidated Revenue Fund has increased by $5,556,333, the Receivables from government departments and agencies have increased by $726,965 and the Equity of Canada has increased by $6,283,028 on the Statement of Financial Position. The Net cash provided by Government on the Statement of Equity of Canada and on the Statement of Cash Flow has increased by $726,965. The Change in the Due from the Consolidated Revenue Fund on the Statement of Equity of Canada has increased by $5,556,333.

This correction does not impact the current year.

4. Parliamentary Appropriations

The Office receives its funding through an annual Parliamentary appropriation and the statutory authority contained in the electoral legislation. Items recognized in the Statement of Operations and the Statement of Financial Position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Office has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

a) Reconciliation of net cost of operations to current year appropriations used

	(in thousands of dollars)	
	2007	**2006**
Net cost of operations	$115,664	$322,971
Adjustments for items affecting net cost of operations but not affecting appropriations		
Add (Less):		
Amortization of tangible capital assets	(4,532)	(4,498)
Prepaid expenses	(1,315)	(1,278)
Consumable supplies	3,158	(1,099)
Services provided without charge	(5,832)	(5,472)
Change in employee severance benefits obligation	(303)	(366)
Change in provision for vacation leave	11	(49)
Other	42	(33)
	106,893	310,176
Adjustments for items not affecting net cost of operations but affecting appropriations		
Add (Less):		
Acquisition of tangible capital assets (excluding capital leases)	6,589	2,218
Payment of capital lease obligations	49	30
Prepaid expenses	1,744	1,377
Other	(59)	6
Current year appropriations used	**$115,216**	**$313,807**

b) Reconciliation of Parliamentary appropriations voted to current year appropriations used

	(in thousands of dollars) 2007	2006
Appropriations Provided:		
Program expenditures (Vote 25)	$22,026	$20,231
Statutory contributions to employee benefit plans	4,079	5,172
Other statutory expenditures	92,568	290,520
	118,673	315,923
Less:		
Lapsed appropriation – Program expenditures (Vote 25)	(3,457)	(2,116)
Current year appropriations used	**$115,216**	**$313,807**

c) Reconciliation of net cash provided by Government to current year appropriations used

	(in thousands of dollars) 2007	2006 (Restated – Note 3)
Net cash provided by Government	$157,529	$277,547
Variation in accounts receivables and advances	260	(587)
Variation in accounts payables and accrued liabilities	(40,542)	33,892
Variation in deposits from political candidates	(1,595)	1,554
Variation in accrued employee salaries and benefits	(395)	1,423
Other adjustments	(110)	(70)
Non-tax revenue	69	48
Current year appropriations used	**$115,216**	**$313,807**

5. Tangible Capital Assets

(in thousands of dollars)

	2007				2006
	Cost				
	Opening balance	Net additions (disposals) for the year	Accumulated amortization	**Net book value**	Net book value
Office equipment (including capital leases)	$942	$136	$(401)	**$677**	$596
Informatics equipment	7,452	273	(6,991)	**734**	1,062
Software	16,008	811	(8,982)	**7,837**	10,349
Software under development	746	4,212	-	**4,958**	746
Furniture and fixtures	1,403	-	(749)	**654**	775
Vehicles and motorized equipment	175	4	(86)	**93**	40
Leasehold Improvements	1,597	1,179	(1,667)	**1,109**	291
	$28,323	$6,615	$(18,876)	**$16,062**	$13,859

Amortization expense for the year ended March 31, 2007 is $4,532 ($4,498 in 2006).

6. Lease Obligation for Tangible Capital Assets

The Office has entered into agreements to rent office equipment under capital lease with a cost of $385,322 and accumulated amortization of $141,126 as at March 31, 2007 ($301,800 and $153,765 respectively as at March 31, 2006). The obligations for the upcoming years include the following:

(in thousands of dollars)

Maturing year	**2007**
2008	$ 67
2009	65
2010	65
2011	56
2012 and thereafter	18
Total future minimum lease payments	271
Less: imputed interest (4.02% to 4.43%)	(22)
Balance of Lease Obligations for Tangible Capital Assets	**$249**

7. Employee Future Benefits

(a) Pension benefits

The Office's employees contribute to the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

The Office's and employees' contributions to the Public Service Pension Plan for the year were as follows:

	(in thousands of dollars)	
	2007	2006
Office's contributions	$3,219	$3,827
Employees' contributions	$1,202	$1,129

The 2006-07 expense amount represents approximately 2.7 times the contributions by employees.

The Office's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the Financial Statements of the Government of Canada, as the Plan's sponsor.

(b) Employee severance benefits

The Office provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31 is as follows:

	(in thousands of dollars)	
	2007	2006
Accrued benefit obligation, beginning of year	$3,352	$2,986
Expense for the year	606	518
Benefits paid during the year	(303)	(152)
Accrued benefit obligation, end of year	**$3,655**	**$3,352**

8. Contractual Obligations

The nature of the Office's activities can result in some large multi-year contracts and obligations whereby the Office will be obligated to make future payments when the services will be rendered or goods received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	(in thousands of dollars)
2008	$21,680
2009	4,706
2010	2,710
2011	647
2012 and thereafter	150
Total	**$29,893**

9. Significant Event

A general election was held in 2005-06 and 2 by-elections in 2006-07. The resulting variance in the cost of operations is due to the 39th general election held on January 23, 2006.

(in thousands of dollars)

	2007		2006	
Expenses	**Electoral Event Delivery[1]**	**Other[2]**	**Electoral Event Delivery[1]**	**Other[2]**
Salaries and benefits	$2,598	$34,655	$95,370	$32,544
Political parties quarterly allowance	-	27,452	-	24,536
Professional services	5,752	17,327	15,011	14,809
Rental of equipment and accommodation	66	7,136	18,512	5,259
Advertising, publishing and printing	1,964	4,261	20,929	4,448
Travel and communication	629	5,384	23,277	3,425
Amortization of tangible capital assets	-	4,532	-	4,498
Repair and maintenance of equipment	3	2,069	259	2,172
Small equipment	15	1,646	692	743
Utilities, materials and supplies	21	1,085	1,136	680
Interest and other charges	-	6	23	15
Reimbursement (adjustment) of candidates' and parties' expenses	(868)	-	54,681	-
Total Expenses	**$10,180**	**$105,553**	**$229,890**	**$93,129**

[1] Expenses incurred for general elections, by-elections and redistribution of electoral boundaries.

[2] Salary of permanent staff, other statutory expenses incurred under the *Canada Elections Act*, including expenses related to election readiness activities, quarterly allowances to political parties and ongoing expenses.

10. Related Party Transactions

The Office is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations.

The Office enters into transactions with these entities in the normal course of business and on normal trade terms. During the year, the Office expensed $15,131,365 from transactions in the normal course of business with other government departments and agencies. These expenses include services provided without charge from other government departments worth $5,832,349 as presented in part (a).

(a) Services provided without charge:

During the year, the Office received services that were obtained without charge from other government departments and agencies. These services without charge have been recognized in the Office's Statement of Operations as follows:

	(in thousands of dollars)	
	2007	**2006**
Public Works and Government Services Canada - accommodation	$4,158	$3,830
Treasury Board Secretariat - employer's share of insurance premiums	1,524	1,467
Office of the Auditor General of Canada - audit services	145	169
Human Resources and Social Development Canada - employer's portion of Worker's compensation payments	5	4
Justice Canada - legal services	-	2
Total Services provided without charge	**$5,832**	**$5,472**

11. Comparative information

Certain comparative figures have been reclassified to conform to the current year's presentation.

Appendix B: Contacts for Further Information

Address: Elections Canada
257 Slater Street
Ottawa, Ontario
K1A 0M6

Telephone: 1-800-463-6868
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toll-free in Mexico

613-993-2975
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